BK: 2016 PG: 3047

Recorded: 10/13/2016 at 11:21:11.0 AM

Fee Amount: \$47.00

Revenue Tax:

LISA SMITH RECORDER Madison County, Iowa

Prepared by/Return To: Adam C. Van Dike, 666 Grand Avenue, Suite 2000, Des Moines, IA 50309 (515) 242-2400

#### MANURE EASEMENT AGREEMENT

THIS MANURE EASEMENT AGREEMENT ("Agreement"), entered into effective as of the day of \_\_\_\_\_\_\_\_, 2016, between Michael L. and Teresa Thompson, husband and wife ("Grantor"), and Hidden Walley Farms, Inc., an Iowa corporation ("Grantee").

WHEREAS, Grantee or its assigns desire to apply hog manure from Grantee's hog confinement facility (the "Hog Farm") located on certain property of Grantee, the legal description of which has been attached as Exhibit "A" ("Grantee's Land"), on certain property of Grantor, the legal description of which has been attached hereto as Exhibit "B" ("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, Grantor's conveyance of Grantee's Land to Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Recitals; Consideration. The foregoing recitals and attached Exhibits "A" and "B" are hereby incorporated by this reference. In addition to other consideration, the parties expressly agree and acknowledge that consideration for this Agreement includes the transfer of Grantor's Land to Grantee for the construction of the Hog Farm. As part of the consideration for this Manure Easement Agreement Grantor shall have the exclusive right to any or all manure produced at the Hog Farm for application to Grantor's Land for term of this Agreement. This right shall benefit Grantor's Land, shall run with the land and shall bind future owners of Grantee's Hog Farm. If Grantor does not intend to use all of the manure on its land it shall notify Grantee of the same.
- 2. 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"). The Easement shall run with the land and bind all future titleholders to Grantor's Land and shall benefit the Hog Farm. Grantor's Land consists of approximately 511 \*\*\*Manney\*\* acres on which manure can be applied by Grantee (or Grantor as provided herein). The Easement shall be for the purpose of applying manure only from the Hog Farm to Grantor's Land. Notwithstanding, Grantee shall not be permitted to apply manure to Grantor's Land unless Grantor fails to remove and apply the hog manure as set forth in this Agreement.

- 3. Term and Termination. This Agreement shall continue in full force and effect for an initial term of twenty (20) years from the date hereof and shall continue thereafter for so long as the Hog Farm remains in operation except that either Grantor or Grantee or may terminate the agreement twenty (20) years after its commencement provided a one (1) year's notice of intent to terminate is provided. A temporary cessation of the Hog Farm will not terminate the agreement. Commencement for purposes of the twenty (20) year period shall be deemed to occur September 1, 2016.. This Agreement may not be otherwise terminated except by written agreement, signed by the parties hereto, or their successors, assigns or personal representatives, as applicable.
- 4. Manure Application by Grantor; Soil Testing. During the term of this Agreement, Grantor agrees to apply all manure produced by Grantee's Farm to Grantor's Land, or to other land for which an written easement or license in favor of Grantee for the application of manure is first obtained by Grantor ("Third Party Land"), all at no cost or expense to Grantee. Grantor agrees to either arrange for the application of such manure by third parties or to provide all equipment, management, labor, fuel and supplies to apply such manure. Grantee, at its expense, will obtain a sample of manure each application season and supply the results of such tests, including maximum application rates, to Grantor. During any application period, Grantor will have 24-hour access to the Hog Farm during the application process. Grantor acknowledges that all manure from the Hog Farm must be applied by Grantor, whether to Grantor's Land or to Third Party Land, in accordance with applicable law, rules and regulations, and specifically that such manure application must comply with the reasonable requirements of Grantee's manure or other nutrient management plan(s), and that Grantor must maintain application records as required by Grantee and provide such records to Grantee after each application period (collectively, the "Legal Requirements"). At no time should Grantor's manure application cause the discharge of manure into the waters of the State of Iowa or into tile lines that discharge directly into the waters of the State of Iowa. Grantor shall not, nor permit any hired applicator or employee to, surface apply manure other than in the event of an emergency. Grantor shall follow, or shall cause its hired applicator or employee to follow, Grantee's reasonable written recommendations and requirements regarding the securing and ventilation of buildings during the agitation of pits so as to minimize risks to humans and livestock. Grantor shall not be liable for the death of hogs during the manure removal process, unless the death(s) was caused by the negligence of Grantor or their employees, agents or subcontractors. Grantor and Grantor's employees (but only if Grantor or Grantor's employees will be applying manure) or hired applicators will be trained and certified in the application of swine nutrients as required by Iowa law, and will have all necessary permits for manure application. Grantor is responsible for performance of work by its employees, agents or its subcontractors, and Grantor agrees to bind any subcontractors to all provisions of this Agreement. Each party agrees to indemnify and hold the other harmless from any loss, claim, damages, civil penalties, attorneys' fees or costs which arise from the failure of such party to perform their responsibilities under this Agreement or from the claims of any third parties as a result of the actions or inactions of either party, which agreement shall survive the termination or completion of this Agreement.

Subject to the approval from time to time by the person, if any, utilizing the Hog Farm for the production of its hogs, Grantor shall have the right, but not the obligation, in Grantor's sole discretion and at Grantor's expense, to have a product added or applied to manure in the manure storage pits at the Hog Farm. Any such addition or application shall, unless otherwise agreed by Grantee, be carried out by Grantee's employees or contractors that manage the Hog Farm following the reasonable directions of Grantor. Grantee shall not charge a fee to Grantor for adding product to manure.

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. Grantor acknowledges that Iowa law requires that each parcel of land to which manure is applied be evaluated under the Iowa phosphorus index prior to manure application. In order to generate a

phosphorus index the Iowa DNR requires soil samples at a minimum of 10 acre grids or less. Grantor shall supply Grantee with current soil samples (less than 4 years old) of at least 10 acre grids or less and then again every 4 years to continue manure application on Grantor's Land. If Grantor fails to supply the required soil samples, then Grantor: (a) shall grant Grantee or its representatives access to Grantor's Land to obtain such samples and (b) agrees to pay Grantee for all of Grantee's costs incurred in obtaining such soil samples and in having such samples analyzed.

- 5. Application of Manure. If Grantor fails to apply manure as required by paragraph 4, Grantee may provide for application of manure to Grantor's Land, whether by Grantee or by third parties hired by Grantee. Grantor shall have the exclusive right to any or all manure produced at the Hog Farm for application to Grantor's Land, as such term may be amended from time to time. 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 Grantor for any application period in which Grantor is applying or is causing to be applied manure from the Hog Farm under paragraph 4, above. For any manure application period in which Grantor does not apply or causing to be applied such manure as provided under paragraph 4, above, such credits or benefits shall be the sole property of Grantee. If Grantee applies manure, Grantee shall apply manure on Grantor's Land at such time and frequency as Grantee may reasonably determine. If manure is to be applied other than between October 15 to December 31 of any year, Grantee shall first obtain the written consent of Grantor to apply such manure, which consent shall not be unreasonably withheld. Grantor further agrees that if during the period of this Agreement, it is determined by an independent source (e.g., ISU Extension) that a build-up of nutrients or trace elements has occurred which has become significantly detrimental to crop production, Grantee will suspend the spreading of manure until the build-up has been reduced to levels not significantly detrimental to crop production; provided, however, such suspension will not result in a termination of this Agreement.
- 6. Warranties of Grantor. Grantor warrants that Grantor has title to and the unrestricted right to convey the Easement. Grantor waives all rights of dower, homestead and distributive share in and to Grantor's Land. Grantor agrees to not 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. <u>Binding Effect</u>. This **Agreement** shall inure to the benefit of and be binding upon the parties hereto, and their respective successors, assigns and personal representatives. Without limiting any assignment rights, **Grantee** may assign its rights under this **Agreement**, in whole or in part, for such periods as **Grantee** may determine, to third parties desiring to apply manure from the **Hog Farm** to **Grantor's Land**.
- 8. <u>Limitation of Liability</u>. 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 and expense, with any party so responsible hereby agreeing to indemnify and hold the non-responsible party, and the non-responsible party's agents, employees, successors and assigns, harmless from and against any claim, damage or expense (including reasonable attorneys' fees) arising from or related to any accident, injury or death of any person, or damage or destruction of property, arising from or in connection with the responsible party's use of the **Easement**. Such indemnification shall survive the termination of this **Agreement**.
- 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, assigns and personal representatives. 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 neuter gender according to the context.
- 12. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original for all purposes and all of which together shall constitute one and the same instrument.

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

written.	
GRANTOR	GRANTEE
Michael L. Thompson  Michael L. Thompson  Leura Thompson  Teresa Thompson	Hidden Valley Farms, Inc.  By: Debrat ansen  Debrat Hansen  Its: President
STATE OF IOWA  ) SS:  COUNTY OF POLK  On this day of, 2016, before the second the within and foregoing instrument; and acknowled voluntary act and deed.  JERROLD B. OLIVER Commission Number 201442 My Commission Expires August 26, 2018  NOTARY JUBI	ore me, the undersigned, a Notary Public in and for said personally known, who being by me duly sworn, who dged the execution of the foregoing instrument to be his LIC IN AND FOR SAID STATE
STATE OF IOWA ) ) SS: COUNTY OF POLK )	

On this day of, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Teresa Thompson, to me personally known, who being by me duly sworn, who executed the within and foregoing instrument; and acknowledged the execution of the foregoing instrument to be her voluntary act and deed.
JERROLD B. OLIVER Commission Number 201442 My Commission Expires August 26, 2018  NOTARY PUBLIC IN AND FOR SAID STATE
STATE OF IOWA )
OUNTY OF POLK ) SS:
On this Hay of Aurit, 2016, before me, the undersigned, a Notary Public in and for said State, personally appeared Aurit Languary, to me personally known, who being by me duly sworn, did say that Beis the Assistant of Hidden Valley Farms, Inc., executing the within and foregoing instrument; that the within and foregoing instrument was signed on behalf of the company by authority of its Board of Incompany, and that Aurit Aurit of the foregoing instrument to be the voluntary act and deed of the company, by it and by hide voluntarily executed.  NOTARY PUBLIC IN AND FOR SAID STATE
MICHAEL R. BLASER COMMISSION NO. 139608 MY COMMISSION EXPIRES MAN 29, 2019

## Exhibit "A" Grantee's Land – Legal Description

Parcel B as described in the Plat of Survey filed July 8, 2016 in Book 2016, Page 1945, being a part of the Southeast quarter of the Southwest quarter (SE ¼ SW ¼) of Section 3, Township 74 North, Range 29 West of the 5<sup>th</sup> P.M., Madison County, Iowa.

# Exhibit "B" Grantor's Land

The land upon which the manure shall be applied is as follows:

337 tillable acres

82 acres of hay land

92 acres of pasture

See list of land attached hereto.





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Real Estate



Recorder



Tax Sale



Plat Map



Appraisal Data

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## Inquire by Owner Identifier

Owner Identifier: 005910610

Name Thompson, Michael L & Teresa

Name Address 1360 290th Street

Address

City and State Macksburg, IA

Parcel ID	Type	Sec/Twp/Rng	Legal Description	House #	Street	City
600/600121946000000 00	DED	019 075 029	FRL SW NW			
600 600121948000000 00	DED	019 075 029	SE NW			
600 600121964000000 00	DED	019 075 029	FRL NW SW			
600 600121966000000 00	DED	019 075 029	FRL SW SW			
630 630130362000000 00	DED	003 074 029	NE SW			
630 630130364000000 00	DED	003 074 029	NW SW			
630 630130366000000 00	DED	003 074 029	SW SW			•
630 630130368010000 00	DED	003 074 029	PAR B 4.99	1349	290TH ST	MACKSBURG
630 630130368020000 00	DED	003 074 029	SE SW EX PAR B			

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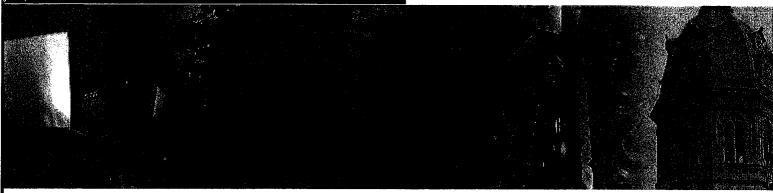
[Plat Map]

[Appraisal Data]

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### Inquire by Owner Identifier

Owner Identifier: 005910600

Name Thompson, Michael L & Teresa S

Name

Address 1360 290 St

**Address** 

City and State Macksburg, IA Parcel ID

Parcel ID	rype	Secriwpiking	Legal Description	House #	Street	City
600 600121926000000 00	DED	019 075 029	SW NE			
600.600121962000000 00	DED	019 075 029	NE SW			
600 600121968000000 00	DED	019 075 029	SE SW			
600 600121984000000 00	DED	019 075 029	NW SE			
600 600121986000000 00	DED	019 075 029	SW SE	,		
630 630131024000000 00	DED	010 074 029	NW NE	1360	290TH ST	MACKSBURG
630 630131026010000 00	DED	010 074 029	N1/2 SW NE			
630 630131042000000 00	DED	010 074 029	NE NW			
630 630131044000000 00	DED	010 074 029	NW NW			
630 630131046000000 00	DED	010 074 029	SW NW			
630 630131048000000 00	DED	010 074 029	SE NW			

Type Sec/Twn/Pag Legal Description House #

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[Real Estate] [Recorder] Tax Sale [Plat Map]

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