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*J. Marie Gilman, Deputy*  
LORI M. KLIEGL, COUNTY RECORDER  
PALO ALTO IOWA

**LIMITED LEASE AGREEMENT**  
Recorder's Cover Sheet

**Preparer Information:**

Roger A Berkland, 2112 Main St., Emmetsburg, IA, (712) 852-4215

**Taxpayer Information:**

N/A

**Return Address**

Roger A. Berkland  
P.O. Box 246  
Emmetsburg, IA 50536

**Grantors:**

Richard G. Andersen and Martha M. Andersen

**Grantees:**

Kerber Milling Company

**Legal Description:** See Page 2

**Document or instrument number if applicable:**

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### LIMITED LEASE AGREEMENT

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This limited lease agreement is made by and between Richard G. Andersen and Martha M. Andersen, husband and wife, of P.O. Box 724, Elkhorn, NE 68022, hereinafter referred to as OWNERS; and Kerber Milling Company, an Iowa corporation, of 1817 Main Street, Emmetsburg, Iowa 50536, hereinafter referred to as TENANT, as follows:

WHEREAS, OWNERS own real estate located in Palo Alto County, Iowa, described as follows:

The East Half (E½) of the Southeast Quarter (SE¼) of Section Twenty-two (22), Township Ninety-seven (97) North, Range Thirty-two (32) West of the 5<sup>th</sup> P.M., Palo Alto County, Iowa, except property described as follows: A part of the Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of said Section 22 described as follows: Beginning at the Southwest corner of the said SE¼ SE¼; thence North 0 degrees 15 minutes 22 seconds West 420.00 feet along the West line of said SE¼ SE¼; thence North 90 degrees 0 minutes 00 seconds East 311.00 feet; thence South 0 degrees 15 minutes 22 seconds East 420.00 feet to a point on the South line of said SE¼ SE¼; thence South 90 degrees 0 minutes 00 seconds West 311.00 feet to the point of beginning, containing 3.00 acres, subject to County road right of way and any other existing easements. NOTE: The South line of the SE¼ SE¼ of said Section 22 is assumed to bear true East and West.

AND

The North Half (N½) of the Northeast Quarter (NE¼) of Section Twenty-seven (27), Township Ninety-seven (97) North, Range Thirty-two (32) West of the 5<sup>th</sup> P.M., Palo Alto County, Iowa.

WHEREAS, TENANT owns real estate located in Palo Alto County, Iowa, described as follows:

A part of the Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Twenty-two (22), Township Ninety-seven (97) North, Range Thirty-two (32) West of the 5<sup>th</sup> P.M., Palo Alto County, Iowa, described as follows: Beginning at the Southwest corner of the said SE¼ SE¼; thence North 0 degrees 15 minutes 22 seconds West 420.00 feet along the West line of said SE¼ SE¼; thence North 90 degrees 0 minutes 00 seconds East 311.00 feet; thence South 0 degrees 15 minutes 22 seconds East 420.00 feet to a point on the South line of said SE¼ SE¼ ; thence South 90 degrees 0 minutes 00 seconds West 311.00 feet to the point of beginning, containing 3.00 acres, subject to County road right of way and any other existing easements. NOTE: The South line of the SE¼ SE¼ of said Section 22 is assumed to bear true East and West.

WHEREAS, TENANT is constructing a swine confinement unit upon its property;

WHEREAS, TENANT desires to lease from OWNERS their property for the disposal of all animal waste from the swine confinement facilities located on its property described above; and

WHEREAS, OWNERS desire to receive all the animal waste from the swine confinement facilities of TENANT described above;

WHEREFORE, IT IS AGREED that TENANT will lease OWNERS' property for the disposal of all animal waste from the swine confinement facilities on its property described above and OWNERS will lease their property to TENANT in exchange for receiving all of the animal waste upon the following terms and conditions:

1. Lease Period. This lease shall commence in the fall of 2005 and shall run for a period of twenty (20) years, terminating upon animal waste having been delivered in the fall of 2025 or the spring of 2026.
2. Disposal. The disposal and distribution of animal waste shall be done only on crop acres after the crops are harvested and prior to spring planting of leased premises and shall not interfere with the productivity, growing or harvesting of crops.
3. Application. All animal waste shall be in a good and husbandlike manner, taking into account weather conditions, soil conditions and time of year, so as

to reduce any odor that might emanate from such manure application. The cost of having animal waste applied shall be at the expense of OWNERS.

4. Location of Disposal. The animal waste shall be applied to that portion of the leased premises as directed by OWNERS or their agent. The parties understand and agree the property described herein of OWNERS is managed by Brownlee Management, Inc. Said manager shall have the right, if agreeable by OWNERS, to have animal waste applied to other farm land managed by it and not described herein, provided said other owner of other property agrees to said application.
5. Termination. If after testing it is determined that the premises or any portion thereof are prohibited from application of additional waste, then no additional waste shall be applied to any tracts so tested.
6. Environmental Laws. TENANT agrees to comply with all federal, state and local environmental and other laws in the disposal of animal waste. TENANT shall prevent all nuisances that may be by such disposal of animal waste and shall not allow phosphorous levels of soil to exceed acceptable levels in regard to the application of the animal waste. TENANT shall employ all means appropriate to ensure that well or groundwater contamination does not occur. TENANT shall be responsible for manure management plan and all expenses in connection with compliance with the provisions of this paragraph.
7. Violation of Terms of Lease. If TENANT or OWNERS violate the terms of this lease, the other shall have the right to pursue the legal and equitable remedies to which it is entitled.
8. Assignment. This lease may be assigned by either party or by its legal representatives, successors in interest or assigns. In the event of assignment, the assignee assumes all the obligations and responsibilities of this lease.
9. Attorney Fees and Court Costs. If either party files suit to enforce any of the terms of this lease, the prevailing party shall be entitled to recover court costs and reasonable attorney fees.
10. Change in Lease Terms. The conduct of either party, by act or omission, shall not be construed as a material alteration of this lease until such provision is reduced to writing and executed by both parties as an addendum to this lease.
11. Notices. The notices contemplated in this lease shall be made in writing and shall either be delivered in person, or be mailed in the US Mail, registered mail, return receipt requested, to the recipient's last known mailing address.

12. Successors and Assigns Bound; Number; Gender; Agents, Captions. The rights, covenants and agreements contained herein shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties. Words and phrases contained herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context. The captions and headings of the paragraphs of this agreement are for convenience only and are not to be used to interpret or define the provisions hereof.
13. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Iowa.
14. Lease Obligations Run with Land. The parties hereto agree that this lease agreement shall be binding upon and run with the land, creating an obligation on TENANT'S land that all animal waste from the confinement facilities located thereon must be disposed of on the property of OWNERS, except as otherwise provided herein, and creating an obligation on OWNERS' land that they shall receive all of said waste, all in accordance with the terms of this lease. This agreement shall be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
15. Consideration. There shall be no cash rental payment under the terms of this lease and the entire consideration of this agreement is TENANT shall have property on which to dispose of waste and OWNERS shall receive the benefit of said waste.
16. Indemnification. TENANT shall assume liability for the disposal of animal waste and shall indemnify and hold OWNERS harmless for any claim in regard thereto, including attorney fees. TENANT shall assume defense of all claims, except claims resulting from OWNERS' negligence, in which case each party shall be responsible for that party's defense of any claim. After termination, TENANT shall remain liable for violation which occurred during the lease period.

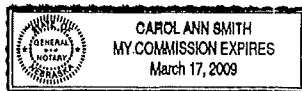
IN WITNESS WHEREOF, this lease was executed on 26 JULY, 2005.

Richard G. Andersen  
Richard G. Andersen  
Martha M. Andersen  
Martha M. Andersen OWNERS

KERBER MILLING COMPANY - Tenant  
By: John E. Kerber  
President  
By: Jeff Kerber  
Secretary

STATE OF Nebraska, COUNTY OF Douglas, SS:

On this 26 day of July, 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard G. Andersen and Martha M. Andersen, husband and wife, 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.



Carol Ann Smith  
Notary Public in and for Said State

STATE OF IOWA, PALO ALTO COUNTY, SS:

On this 13 day of July, 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared John E. Kerber and Jeff Kerber, to me personally known, who being by me duly sworn did say that they are the President and Secretary, respectively, of said corporation executing the foregoing instrument; that no seal has been procured by said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that said John E. Kerber and Jeff Kerber as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Keith E. Johnson  
Notary Public in and for Said State

