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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:**

Guerdon, LLC

**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 Guerdon, LLC, c/o S.J. Brownlee, of 2112 Main Street, Box 480, Emmetsburg, Iowa 50536, hereinafter referred to as OWNER; and Kerber Milling Company, an Iowa corporation, of 1817 Main Street, Emmetsburg, Iowa 50536, hereinafter referred to as TENANT, as follows:

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

The East Half (E½) of Section Twenty-one (21), 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 said Section 21 described as follows: Beginning at a point on the South line of said SE¼, at a distance of 1263.93 feet West of the Southeast corner of said Section 21; thence North 0 degrees 0 minutes 00 seconds West 420.00 feet; thence North 90 degrees 0 minutes 00 seconds West 311.00 feet; thence South 0 degrees 0 minutes 00 seconds East 420.00 feet to a point on the South line of said SE¼; thence South 90 degrees 0 minutes 00 seconds East 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 of said Section 21 is assumed to bear true East and West;

AND

The Northeast Quarter (NE¼) and the East Half (E½) of the Southeast Quarter (SE¼) of Section Twenty-eight (28), Township Ninety-seven (97) North, Range Thirty-two (32) West of the 5<sup>th</sup> P.M., Palo Alto County, Iowa;

EXCEPT THE FOLLOWING TWO TRACTS OF LAND:

A part of the Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Twenty-eight (28), 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 a point on the South line of said SE¼ SE¼, at a distance of 804.90 feet West of the Southeast corner of said Section 28; thence North 0 degrees 32.7 minutes

West 424.55 feet; thence South 90 degrees 0.0 minutes East 282.32 feet; thence South 0 degrees 32.7 minutes East 424.55 feet to a point on the South line of said SE $\frac{1}{4}$  SE $\frac{1}{4}$ ; thence South 90 degrees 0.0 minutes West 282.32 feet to the point of beginning, containing 2.75 acres subject to County road right of way and any other existing easements. NOTE: The South line of the SE  $\frac{1}{4}$  of said Section 28 is assumed to bear true East and West.

A part of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-eight (28), 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 a point on the South line of said SE $\frac{1}{4}$  SE $\frac{1}{4}$ , at a distance of 522.58 feet West of the Southeast corner of said Section 28; thence North 0 degrees 32.7 minutes West 283.94 feet; thence South 90 degrees 0.0 minutes East 187.66 feet; thence South 0 degrees 32.7 minutes East 283.94 feet to a point on the South line of said SE $\frac{1}{4}$  SE $\frac{1}{4}$ ; thence South 90 degrees 0.0 minutes West 187.66 feet to the point of beginning, containing 1.22 acres, subject to County road right of way and any other existing easements. NOTE: The South line of the SE $\frac{1}{4}$  of said Section 28 is assumed to bear true East and West.

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

A part of the Southeast Quarter (SE $\frac{1}{4}$ ) of said Section Twenty-one (21), Township Ninety-seven (97) North, Range Thirty-two (32) West of the 5<sup>th</sup> P.M. described as follows: Beginning at a point on the South line of said SE $\frac{1}{4}$ , at a distance of 1263.93 feet West of the Southeast corner of said Section 21; thence North 0 degrees 0 minutes 00 seconds West 420.00 feet; thence North 90 degrees 0 minutes 00 seconds West 311.00 feet; thence South 0 degrees 0 minutes 00 seconds East 420.00 feet to a point on the South line of said SE $\frac{1}{4}$ ; thence South 90 degrees 0 minutes 00 seconds East 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 SE $\frac{1}{4}$  of said Section 21 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 OWNER its property for the disposal  
of all animal waste from the swine confinement facilities located on its property described above;  
and

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

WHEREFORE, IT IS AGREED that TENANT will lease OWNER'S property for the disposal of all animal waste from the swine confinement facilities on its property described above and OWNER will lease its 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 OWNER.
4. Location of Disposal. The animal waste shall be applied to that portion of the leased premises as directed by OWNER or its agent. The parties understand and agree the property described herein of OWNER is managed by Brownlee Management, Inc. Said manager shall have the right, if agreeable by OWNER, 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.

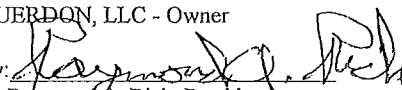
15. Consideration. There shall be no cash rental payment under the terms of this lease and the entire consideration of this agreement is TENANT shall have property on which to dispose of waste and OWNER shall receive the benefit of said waste.

16. Indemnification. TENANT shall assume liability for the disposal of animal waste and shall indemnify and hold OWNER harmless for any claim in regard thereto, including attorney fees. TENANT shall assume defense of all claims, except claims resulting from OWNER'S 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 7/29, 2005.

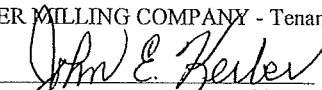
GUERDON, LLC - Owner

By:

  
Raymond A. Rich, President

KERBER MILLING COMPANY - Tenant

By:

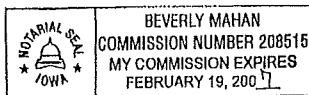
  
President

By:

  
Secretary

STATE OF Iowa, COUNTY OF Palo Alto, SS:

On this 29<sup>th</sup> day of July, 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Raymond A. Rich, to me personally known, who being by me duly sworn did say that he is the President of Guerdon, LLC, and that said instrument was signed on behalf of Guerdon, LLC, by authority of its managers and the said Raymond A. Rich acknowledged the execution of said instrument to be the voluntary act and deed of Guerdon, LLC, by it voluntarily executed.



Beverly Mahan  
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. Kerker and Jeff Kerker, 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. Kerker and Jeff Kerker 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

