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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

CHEK

Manure Application Agreement
Recorder's Cover Sheet

Preparer Information:

Mike Blaser, 666 Grand Ave., Ste. 2000, Des Moines, IA 50309

Taxpayer Information:

Return Address

✓ Mike Blaser, 666 Grand Ave., Ste. 2000, Des Moines, IA 50309

Grantors:

Donald and Patty J. Schulz

Grantees:

CW Farms, LLC

Legal Description: Document or instrument number if applicable:

MANURE APPLICATION AGREEMENT

31 **MANURE APPLICATION AGREEMENT** ("Agreement") made as of the Aug day of Aug, 2011, between Donald R. Schulz and Patty J. Schulz, husband and wife, both residents of the State of Iowa ("Applicator") and CW Farms, LLC, an Iowa limited liability company ("CW").

WITNESSETH:

WHEREAS, CW owns a swine production farm located in the NW (1/4) of Section 33, Township 75N, Range 29W, Madison County, Iowa, (the "Farm");

WHEREAS, Applicator owns, operates or has access to the crop land described on Exhibit "A" hereto, which land is subject to a long-term Manure Easement Agreement in favor of CW for the application of manure to such crop land (the "Manure Acres");

WHEREAS, Applicator desires to obtain manure from the Farm to fertilize such Manure Acres and potentially other row-crop land as provided herein; and

WHEREAS, CW is willing to provide Applicator with access to such manure on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged; the parties hereby agree as follows:

1. Recitals. The recitals set forth above are incorporated in this Agreement as contract terms.

2. Agreement. Applicator agrees to cause manure to be removed from the Farm and applied to the Manure Acres and as permitted by CW's manure or nutrient management plan and at its option, for the Farm each fall application season (or in the spring if agreed to by CW). Subject to the terms and conditions hereof, the amount of manure that Applicator shall remove and apply shall be the lesser of: (a) the manure that can be applied to the Manure Acres based on the agronomic and regulatory limitations established in paragraph 3 necessary to produce an annual crop; or (b) all manure available from the Farm at the time of application. All such manure removal and application will be at the sole cost and expense of Applicator. If there is more manure to be removed from the Farm and applied than is required or permitted for the Manure Acres, CW will be responsible to remove and apply such excess manure in such manner as CW determines. If Applicator fails to remove all manure that could be removed from the Farm and applied as required or permitted to the Manure Acres (such unapplied manure, the "Shortfall Gallons"), then Applicator shall indemnify and hold harmless CW for its actual costs of hiring third party manure applicators to apply such Shortfall Gallons to other land.

CW Initials

EC

Applicator Initials

DRS

3. Land Application. Applicator may apply or direct third-party custom manure applicators to apply manure from the Farm to fulfill Applicator's agreement as set forth in paragraph 2, above, during the term of this Agreement.

During any application period, Applicator will have 24-hour access to the Farm. Applicator acknowledges that all manure from the Farm must be applied by Applicator in accordance with applicable law, rules and regulations, and specifically that such manure application must comply with CW's manure or other nutrient management plan(s) and that Applicator must maintain application records as required by CW and provide such records to CW after each application period. At no time should Applicator'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. Applicator shall follow CW's specific recommendations and requirements as to the application of manure from the Farm, including specifically, agitation of pits and application methods. Applicator and Applicator's employees 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. Applicator is responsible for performance of work by its employees, agents or its subcontractors, and Applicator agrees to bind any subcontractors to all provisions of this Agreement.

All manure applications shall be in accordance with Iowa DNR or federal rules, including the Iowa phosphorus index (the "Iowa P-Index"). CW will have the manure at the Farm analyzed for N, P and K each year at its cost and will provide Applicator with a copy of such analysis and with recommended maximum application rates (gallons per acre) for the Manure Acres. CW does not guarantee any minimum number of gallons of manure, any level of fertility from the manure or any specific nutrient content in the manure. CW does not make any representation or warranty as to the fitness of the manure for any use or purpose. It is acknowledged that Applicator shall make all final fertility decisions for any land that Applicator decides to apply manure to, taking into account the estimated nutrient content of the manure applied by CW. After each application, Applicator shall promptly supply to CW: (a) records indicating the approximate number of gallons of manure applied and the estimated nutrients applied per acre; (b) records indicating the approximate number and location of the tillable acres to which manure was applied and (c) any other records or information that CW may reasonably request.

4. Phosphorus Requirements. Current Iowa law requires that each parcel of land to which manure is applied be evaluated under the Iowa P-Index prior to manure application. In order to generate an Iowa P-Index the Iowa DNR requires soil samples at a minimum of 10 acre grids or less. Applicator, at Applicator's cost, shall supply CW with current analysis of soil samples (less than 4 years old) of at least 10 acres grids or less and then again every 4 years to continue manure application on any Manure Acres or other land to which Applicator wants manure to be applied to. If federal or Iowa law or rules change to require different or additional soil testing and analysis, Applicator shall be responsible to supply CW with such testing and analysis. If Applicator fails to supply the required soil samples and analysis, then Applicator: (a) grants CW or its

CW Initials EE

Applicator Initials DRS

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.

GRANTOR:

GRANTEE:

CW Farms, LLC

Donald R. Schulz
Donald R. Schulz

Patty J. Schulz
Patty J. Schulz

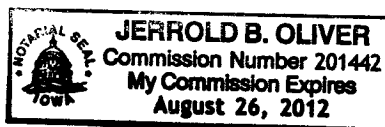
By: Eddie C

Its: GP

STATE OF Iowa

COUNTY OF Madison

This instrument was acknowledged before me on Aug 31, 2011, by Eddie C as Manager of CW Farms, LLC.

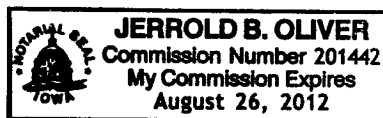


Jerrold B. Oliver
Notary Public

STATE OF Iowa

COUNTY OF Madison

This instrument was acknowledged before me on Aug 31, 2011, by Donald R. Schulz and Patty J. Schulz.



Jerrold B. Oliver
Notary Public

GRANTOR INITIALS: DRS

GRANTEE INITIALS: EC

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