Modification of Note and Mortgage

Mortgage Modification Agreement made May 13, 19 92, by and between Bacon Farms, Inc., and Iowa Corporation (herein "Borrower") and Norwest Bank Iowa, National Association, (herein "Lender").

Recitals:

A. Borrower is the Mortgagor or an Obligor and Lender is the Mortgagee of a mortgage dated June 26, 19 86, which mortgage originally secured payment of a loan in the amount of $ 430,000.00 plus interest at a variable ~~the rate of xxxxxxxxxxxxxx~~% per annum, maturing on July 1, 1996, as evidenced by a Note of the same date executed by Borrower, between FBS Agricultural Credit Corporation which was assigned to Norwest Bank Iowa, National Association

B. The mortgage is recorded in the office of the Recorder of Delaware County, Iowa, in Book 100 of Mortgages on Page 280, and is of real estate situated in Delaware County, described as follows:

See attached Exhibit "A:

C. Borrower and Lender desire that the Mortgage and Note be modifled as herein provided but that all terms not so modified remain unchanged and in full force and effect.

Now, therefore, in consideration of the mutual covenants herein contained, it is agreed:

1. **Amount Due:** Borrower acknowledges there is as of this date due and owing on the aforesaid Mortgage and Note the principal balance of $ 403,601.59 plus accrued interest.

2. **Payment Schedule:** The payment schedule provided in said Note is hereby modified so that payments of principal and interest shall be made as follows: $22,747.81 on each July 1 and January 1,

~~$~~ beginning on July 1, 19 92, ~~and a like amount on the same day of each month thereafter~~ until July 1, 1996 when the entire sum of unpaid principal and interest shall be paid in full.

3. **Rate:** The interest rate provided in the Note is hereby modified to be a rate per annum equal to 9.25% effective this date.

The late charge therein provided is modified to be _____% of any monthly installment not received within _____ days after the installment is due.

4. **Other Modifications:**

See attached Exhibit "B"

5. **Warranty:** Borrower covenants and warrants that the said Mortgage is a first lien upon the real estate described above.

6. **No Other Modification:** Except as provided above, the said Mortgage and Note and all provisions thereof shall remain unaffected and unchanged by this Agreement and all terms, conditions and provisions of said Note and Mortgage not modified are hereby ratified and confirmed in all respects, and Borrower promises to pay the aforesaid sum with interest and in the manner stated above.

Mortgage Loan Number _____

FILE No. 191-3420
RECORDING FEE $ 25.00
TRANSFER FEE $ _____

FILED FOR RECORD THE 18 DAY OF May, 1992 AT 2:11 O'CLOCK P. M. BOOK 115 PAGE 345

STATE OF IOWA, DELAWARE COUNTY
Jane A. Lloyd, Recorder
LM

I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS CONTRACT, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS CONTRACT.

Dated: _____ _____

Dated: _____ _____

In witness whereof, *the parties have executed this instrument.*

Debtor(s) acknowledge(s) receipt of a copy of this instrument.

Bacon Farms, Inc.

By Kenneth F Bacon Pres.
Kenneth F. Bacon, President

By Rodney F Bacon V P
Rodney F. Bacon, Vice President

~~Kenneth F. Bacon, personally~~

~~Rodney F. Bacon, personally~~

~~Arlene B. Bacon, personally~~

~~Sharon K. Bacon, personally~~

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ *day of* _____, *19* _____, *before me, the undersigned, a Notary Public in and for the State of* _____, *personally appeared* _____
_____
to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that _____
executed the same as _____ *voluntary act and deed.*

_____
Notary Public in and for the said County and State

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ *day of* _____, *19* _____, *before me, the undersigned, a Notary Public in and for the State of* _____, *personally appeared* _____
and _____, *to me personally known, being by me duly sworn, did say that (they are, he is) the* _____
and _____ *respectively, of said* _____, *that no seal was procured by the said* _____, *and that said instrument was signed on behalf of said* _____ *by authority of its Board of Directors, and that said* _____
and _____ *acknowledged the execution of said instrument to be the voluntary act anddeed of said* _____, *by it and by them voluntarily executed.*

_____
Notary Public in and for the said County and State

STATE OF Iowa)
) ss:
COUNTY OF Delaware)

On this 13th *day of* May, *19* 92, *before me, the undersigned, a Notary Public in and for the State of* Iowa, *personally appeared* Kenneth F. Bacon
and Rodney F. Bacon, *to me personally known, being by me duly sworn, did say that they are the* President *and* Vice-President, *respectively, of said Corporation, that the seal affixed to said instrument is the seal of said Corporation; and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and the said* President
_____ *and* Vice-President *acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it by them voluntarily executed.*

Thomas K. Clancy
Notary Public in and for the said County and State
Thomas K. Clancy

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EXHIBIT "A"
Attachment to Modification of Note and Mortgage between
Bacon Farms, Inc. and Norwest Bank Iowa, National Association

THE SOUTHEAST QUARTER (SE¼) OF THE SOUTHEAST QUARTER (SE¼) OF SECTION THIRTY-FIVE (35), TOWNSHIP EIGHTY-EIGHT (88) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE EAST ONE-HALF (E½) OF THE NORTHEAST QUARTER (NE¼) OF THE SOUTHEAST QUARTER (SE¼) OF SECTION THIRTY-FIVE (35), TOWNSHIP EIGHTY-EIGHT (88) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION THIRTY-SIX (36), TOWNSHIP EIGHTY-EIGHT (88) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M., EXCEPT COMMENCING AT THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼) AND RUNNING THENCE WEST TWENTY-FOUR (24) RODS, THENCE NORTH TWENTY (20) RODS, THENCE EAST FOUR (4) RODS, THENCE NORTH TWO (2) RODS, THENCE EAST TWENTY (20) RODS, THENCE SOUTH TWENTY-TWO (22) RODS TO THE POINT OF BEGINNING, AND ALSO EXCEPT THAT PART DESCRIBED AS BEGINNING AT A POINT FOUR HUNDRED TEN (410) FEET WEST OF THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼), THENCE SOUTHERLY SEVEN HUNDRED (700) FEET ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼), THENCE EASTERLY FOUR HUNDRED TEN (410) FEET ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼), THENCE NORTHERLY THREE HUNDRED SIXTY (360) FEET ALONG A LINE PARALLEL WITH SAID EAST LINE, THENCE WESTERLY ONE HUNDRED THIRTY-FIVE (135) FEET ALONG A LINE PARALLEL WITH SAID NORTH LINE, THENCE NORTHERLY THREE HUNDRED FORTY (340) FEET ALONG A LINE PARALLEL WITH SAID EAST LINE, THENCE WESTERLY TWO HUNDRED SEVENTY-FIVE (275) FEET ALONG A LINE PARALLEL WITH SAID NORTH LINE TO THE POINT OF BEGINNING;

THAT PART OF THE NORTHEAST QUARTER (NE¼) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION THIRTY-SIX (36), TOWNSHIP EIGHTY-EIGHT (88) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M. DESCRIBED AS COMMENCING AS A POINT FORTY (40) RODS NORTH OF THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER (NE¼) OF THE SOUTHWEST QUARTER (SW¼) AND RUNNING THENCE NORTH FORTY (40) RODS TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER (NE¼) OF THE SOUTHWEST QUARTER (SW¼), THENCE RUNNING EAST FOURTEEN (14) RODS, THENCE IN A SOUTHWESTERLY DIRECTION TO THE POINT OF BEGINNING.

THE NORTHWEST FRACTIONAL QUARTER (NWfr¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION TWO (2), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE SOUTHEAST QUARTER (SE¼) OF THE NORTHEAST FRACTIONAL QUARTER (NEfr¼) OF SECTION TWO (2), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE WEST THIRTY-NINE (39) RODS OF THE NORTHWEST FRACTIONAL QUARTER (NWfr¼) OF THE NORTHWEST QUARTER (NW¼) OF SECTION ONE (1), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTH ONE (1) ROD OF THE EAST ONE-HALF (E½) OF THE NORTHWEST FRACTIONAL QUARTER (NWfr¼) OF THE NORTHWEST QUARTER (NW¼) OF SECTION ONE (1), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTHEAST FRACTIONAL QUARTER (NEfr¼) OF THE NORTHEAST QUARTER (NE¼) OF SECTION TWO (2), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTHEAST FRACTIONAL QUARTER (NEfr¼) OF THE NORTHWEST QUARTER (NW¼) OF SECTION TWO (2), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE SOUTH ONE (1) ROD OF THE SOUTHWEST QUARTER (SW¼) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION THIRTY-SIX (36), TOWNSHIP EIGHTY-EIGHT NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE SOUTH FRACTIONAL HALF (Sfr½) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION SEVEN (7), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M.

THE NORTHEAST QUARTER (NE¼) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION SEVEN (7), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M., EXCEPT COMMENCING AT THE NORTHEAST CORNER THEREOF, AND RUNNING THENCE SOUTH FOUR HUNDRED SIXTY-EIGHT (468) FEET, THENCE WEST EIGHT (8) RODS, MORE OR LESS, TO THE NORTHERLY BANK OF THE CREEK, THENCE NORTH-WESTERLY ALONG SAID CREEK TO THE NORTH LINE OF SAID NORTHEAST QUARTER (NE¼) OF THE SOUTHWEST QUARTER (SW¼), THENCE EAST TO THE POINT OF BEGINNING;

THAT PART OF THE SOUTHEAST QUARTER (SE¼) OF THE NORTHWEST FRACTIONAL QUARTER (NWfr¼) OF SECTION SEVEN (7), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M., DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER THEREOF, AND RUNNING THENCE NORTH ONE HUNDRED NINETY-EIGHT (198) FEET, THENCE IN A SOUTHEASTERLY DIRECTION ALONG THE FENCE LINE, WHICH IS DESIGNATED BY CEMENT MARKERS, SIXTY (60) RODS AND FIFTEEN (15) FEET, THENCE SOUTH FOUR (4) RODS TO THE SOUTH LINE OF SAID FORTY ACRE TRACT, THENCE WEST ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING;

THE NORTH FRACTIONAL ONE-HALF (Nfr½) OF THE NORTHWEST QUARTER (NW¼) OF SECTION EIGHTEEN (18), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M.

THE SOUTHEAST QUARTER (SE¼) OF THE NORTHWEST QUARTER (NW¼) OF SECTION EIGHTEEN (18), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M.

THE SOUTH FIFTY-TWO AND ONE-HALF (52½) RODS OF THE NORTHWEST QUARTER (NW¼) OF THE SOUTHWEST QUARTER (SW¼) OF SECTION SEVEN (7), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FOUR (4) WEST OF THE FIFTH P.M.

THE SOUTH ONE-HALF (S½) OF THE SOUTHEAST QUARTER (SE¼) OF SECTION TWELVE (12), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTHEAST QUARTER (NE¼) OF THE SOUTHEAST (SE¼) OF SECTION TWELVE (12), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

THE NORTH ONE-HALF (N½) OF THE NORTHEAST QUARTER (NE¼) OF SECTION THIRTEEN (13), TOWNSHIP EIGHTY-SEVEN (87) NORTH, RANGE FIVE (5) WEST OF THE FIFTH P.M.

Exhibit "B" to Modification of
Note and Mortgage

4. Other Modifications:

Lender has also loaned to Mortgagor $300,000.00 evidenced by a Promissory Note between Lender or Mortgagor, dated May 13, 1992, 1992. This Mortgage shall also secure such Promissory Note. In consideration of such additional loan, Mortgagor and Lender agree to further modify the Mortgage as follows:

(a) The last unnumbered paragraph on the first page of the Mortgage which states:

> CONDITIONED HOWEVER, That if said Mortgagors shall pay or cause to be paid to said Mortgagee or his successors or assigns, said sum of money which shall be legal tender in payment of all debts and dues, public and private, at time of payment, all at the time,place, and upon the terms provided by one Promissory Note of Mortgagors to Mortgagee of even date herewith, and as may be supplemented by loans under Paragraph 1 below, and shall perform the other provisions hereof, then these presents shall be void; otherwise to remain in full force and effect.

is hereby deleted and the following new unnumbered paragraph is substituted in lieu thereof:

> This Mortgage secures the payment of the loans evidenced by the Promissory Notes of Mortgagors to Mortgagee dated (1) June 26, 1986 and (ii) May 13, 1992., 1992, any renewals, extensions, modifications or refinancings thereof and any Notes issued in substitution therefor together with all other obligations of Mortgagors to Mortgagee now existing or hereafter arising, whether direct or indirect, contingent or absolute and whether as maker or surety and including, but not limited to, future advances and amounts advanced and expenses incurred by Mortgagee pursuant to this mortgage. Nothing herein contained shall imply any obligation on the part of the Mortgagee to make any such future loan. Any reference in this Mortgage to "said Note", "Note" or any such similar term shall mean the Notes of Mortgagors dated June 26, 1986, and May 13, 1992, 1992, in addition to all extensions, renewals, or refinancings thereof.

(b) The amount of $430,000.00 in Paragraph 1 of the Mortgage is hereby deleted and $300,000.00 is substituted in lieu thereof.

(c) The amount of $430,000.00 in Paragraph 12 of the Mortgage is hereby deleted and $1,000,000.00 is substituted in lieu thereof.