When recorded return to:
(X) ENV.
Thomas L. Flynn
The Financial Center
666 Walnut Suite 2000
Des Moines, IA 50309-3989

DELAWARE COUNTY IOWA
FILED
2000 JUL 24 AM 10:57
BOOK 2000 PAGE 2222
DEBORAH L. PEATION
DELAWARE CO. RECORDER
14.00

Prepared by: Thomas L. Flynn, The Financial Center, 666 Walnut Street Suite 2000, Des Moines, IA 50309-3989, 515-243-7100

# ASSIGNMENT OF PROMISSORY NOTE, ASSIGNMENTS OF REAL ESTATE CONTRACT, MORTGAGES AND DEBT RESTRUCTURING AGREEMENT

1. Assignment. For consideration received, U.S. Bank f/k/a FBS Agricultural Credit Corporation ("Bank") does hereby sell, assign, transfer and convey to Kelburn, Ltd. ("Kelburn") all right, title and interest of Bank in and to the following documents, instruments and agreements (the "Documents"):

a. Replacement Renewal Promissory Note ("Note") dated June 26, 1991 in the original principal amount of $1,000,000.00 payable to Bank jointly and severally by the Paris Brothers Partnership, Mary Jo Paris as Executor and on behalf of the Estate of Stephen D. Paris, Mary Jo Paris individually, Joseph J. Paris, Linda L. Paris, Thomas J. Paris, Debra A. Paris, R. Dean Paris and Mary J. Paris (collectively the "Makers"). (R. Dean Paris has subsequently been released by Bank from all liability under the Note.) As of August 26, 1999, the unpaid principal amount owing to Bank under the Note is $202,843.08 plus accrued interest of $46,018.33, plus legal fees of $2,486.35 for a total amount due of $251,347.76. Interest continues to accrue as provided in the Note until the Note is paid in full. The Note is in default.

b. Assignment of Real Estate Contract dated July 3, 1984 and recorded July 11, 1984 in Book 115, Page 207 of the Delaware County, Iowa records, executed by Joseph J. Paris, Linda L. Paris, Stephen D. Paris, Mary J. Paris and Thomas J. Paris (collectively the "Assignors") in favor of Bank and assigning, for collateral purposes, all of Assignors' rights, title and interest in a certain Real Estate Contract (the "Breckenfelder Contract") entered into by Howard Breckenfelder and LaVonne Breckenfelder, as sellers, and Thomas John Paris, Stephen D. Paris and Linda Lou Paris, as buyers, dated February 28, 1980 and recorded February 29, 1980 in Book 107, Page 163 of the Delaware County, Iowa records. The Breckenfelder Contract was in the original amount of $469,500.00, the unpaid balance of which is presently unknown to Bank. The Assignment of Real Estate Contract pertains to the following described real estate situated in Delaware County, Iowa:

> The Southwest Quarter (SW ¼) of the Southwest Fractional Quarter (SWFR ¼) of Section Six (6), Township Eighty-nine (89) North, Range Six (6), West of the Fifth P.M.

c. Assignment of Real Estate Contracts dated July 3, 1984, executed by Joseph J. Paris, Linda L. Paris a/k/a Linda Lou Paris, husband and wife, Stephen D. Paris and Mary J. Paris a/k/a Mary Jo Paris, husband and wife and Thomas J. Paris a/k/a Thomas John Paris, Single (collectively the "Assignors") in favor of Bank and recorded July 11, 1984 in Book 468, Page 201 of the Buchanan County, Iowa records, assigning, for collateral purposes, all of Assignors' rights, title and interest in four (4) Real Estate Contracts pertaining to four real estate parcels – all as more particularly described in Exhibit "A" attached thereto.

d. Mortgage dated March 13, 1993, executed by Paris & Sons, Inc. in favor of Bank and recorded April 15, 1993 in Book 118, Page 301 of the Delaware County, Iowa records securing $250,000.00 of the Note, pertaining to the following described property:

> All that part of the Illinois Central and Gulf Railroad Depot Grounds in the Northeast Quarter (NE¼) of Section Thirty-one (31), Township Eighty-nine (89) North, Range Six (6), West of the 5th Principal Meridan, described as commencing at the Southeast corner of Lot Forty-seven (47), Masonville, Iowa, which point is on the north line of Gordon Street, and running thence East One Thousand Five Hundred (1500.0) feet, more or less, along the North line of Gordon Street to the Southwest corner of Lot Forty-eight (48), Masonville, Iowa, thence North One Hundred Seventy-five (175.0) feet, more or less, to a point Twenty-five (25.0) feet South of the centerline of the main track of said railroad, thence West and parallel with the centerline of said main track One Thousand Five Hundred (1500.0) feet, more or less, North of the point of beginning, thence South One Hundred Seventy-five (175.0) feet to the point of beginning.

e. Mortgage dated July 3, 1984 executed by Paris Brothers Partnership, Joseph J. Paris and Linda L. Paris a/k/a Linda Lou Paris, husband and wife, and Thomas J. Paris a/k/a Thomas John Paris in favor of Bank and recorded July 11, 1984 in Book 467, Page 343 of the Buchanan County, Iowa records, pertaining to the property described in Exhibit "A" attached thereto.

f. Restructuring Agreement ("Restructuring Agreement") dated April 24, 1994, executed by Makers and Paris & Sons, Inc. (collectively the "Obligors") in favor of Bank wherein various loans owing by Obligors to Bank were restructured as more particularly described therein. Notwithstanding the indebtedness referred to therein, only the amount owing on the Note as described in Paragraph (a) above is now due and owing to Bank. The original Restructuring Agreement is attached hereto.

g. All mortgages, security interests, guarantees or other related documents granted to Bank by Paris & Sons, Inc., and/or Mary Jo Paris, Executor of Steven D. Paris Estate, Mary Jo Paris, individually, Joseph J. Paris, Linda L. Paris, Thomas J. Paris, Debra A. Paris, R. Dean Paris and Mary J. Paris, individually.

2. Affidavit of Loss, Indemnification Agreement and Assignment. The original Note, the original Assignment of Real Estate Contract described in Section 1(b), the original Assignment of Real Estate Contracts described in Section 1(c), the original Mortgage described in Section 1(d), and the original Mortgage described in 1(e) cannot presently be found by Bank. A true and complete copy of such instruments are attached hereto together with an Affidavit of Loss, Indemnification Agreement and Assignment prepared by Bank.

3. Purchase Price. In consideration for the assignment and delivery of the Documents to Kelburn, Kelburn shall contemporaneously with the execution of this Assignment, pay to Bank the sum of $215,000.00

4. Assumption by Kelburn. Kelburn hereby acknowledges that the Documents are purchased without recourse. Kelburn hereby assumes and agrees to perform all obligations of Bank as provided by the Documents.

5. No Warranty. Bank makes no warranty as to the legality or enforceability of the Documents, the priority of its liens, the collectibility of the indebtedness owing thereunder, or whether any of the contracts assigned to Bank as referenced in Section 1(c) above are still in existence and/or have collateral value.

6. Post-Closing Items. Bank agrees to provide reasonable timely assistance when requested by Kelburn and/or the Parises in clearing up or correcting matters that may arise in the future, including, but not limited to, appropriate release or assignment documents.

Dated as of the 3rd day of May, 2000.

**U.S. BANK f/k/a FBS Agricultural Credit Corporation**

Michael J. Porcello, Assistant Vice President
U.S. Bank National Association
U.S. Bank Place, MPFP 2516
601 Second Avenue South
Minneapolis, MN 55402-4302

**"BANK"**

**KELBURN, LTD.**

By: Robert D. Parmele

Its: Kelburn pres. 5/16/00

411-1st Ave SE
Cedar Rapids IA 52401
(address)

**"KELBURN"**

STATE OF MINNESOTA )
) SS:
COUNTY OF Hennepin )

On this 3rd day of May, 2000, before me a Notary Public in and for said county, personally appeared Michael J. Porcello, to me personally known, who being by me duly sworn did say that he is an Assistant Vice President of said corporation, that instrument was signed ~~and sealed~~ on behalf of the said corporation by authority of its board of directors and the said Michael J. Porcello acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

PAMELA H. VOSS
Notary Public
Minnesota
My Commission Expires Jan 31 2005

Pamela H. Voss
Notary Public in the State of Minnesota

STATE OF Iowa )
) SS:
COUNTY OF Linn )

On this 16th day of May, 2000, before me a Notary Public in and for said county, personally appeared Robert I Carver III, to me personally known, who being by me duly sworn did say that that person is President (insert title of executing member) of said Kelburn, Ltd., that ~~(the seal affixed to said instrument is the seal of said OR~~ no seal has been procured by the said) Kelburn, Ltd. and that said instrument was signed and sealed on behalf of the said Kelburn, Ltd. by authority of its managers and the said Robert I Carver III acknowledged the execution of said instrument to be the voluntary act and deed of said Kelburn, Ltd. by it voluntarily executed.

Sandra S. Kuda
Notary Public in the State of Iowa

SANDRA S. KUDA
My Commission Expires
11-18-02

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## ASSIGNMENT OF REAL ESTATE CONTRACT

FOR VALUE RECEIVED, we, Joseph J. Paris and Linda L. Paris, a/k/a Linda Lou Paris, husband and wife, Stephen D. Paris and Mary J. Paris, a/k/a Mary Jo Paris, husband and wife, and Thomas J. Paris, a/k/a Thomas John Paris, Single, of Delaware County, State of Iowa ("Assignors"), do hereby assign, transfer and set over unto FBS Agricultural Credit Corporation, all of our right, title and interest in and to that certain Real Estate Contract entered into by and between Howard Breckenfelder and LaVonne Breckenfelder, husband and wife, as Sellers, and Thomas John Paris, Stephen D. Paris and Linda Lou Paris, Buyers, dated February 28, 1980, and filed February 29, 1980, in Book 107 at page 163 in the Office of the Delaware County Recorder, covering the following described real estate situated in Delaware County, Iowa:

THE SOUTHWEST QUARTER (SW¼) OF THE SOUTHWEST FRACTIONAL QUARTER (SWFR¼) OF SECTION SIX (6), TOWNSHIP EIGHTY-NINE (89) NORTH, RANGE SIX (6), WEST OF THE FIFTH P.M.,

This Assignment of Contract is given for collateral purposes and is intended to create a mortgage and lien interest on the above-described real estate and to serve as security in connection with indebtedness owing by Paris Bros., an Iowa general partnership, and each of the undersigned to FBS Agricultural Credit Corporation. This Assignment stands as security for all existing indebtedness and for any and all future and additional advances, renewals and extensions made to the Assignors by FBS Agricultural Credit Corporation or its assignee.

In case of any action, or in any proceedings in any Court, to collect any sums payable or secured by this Assignment of Real Estate Contract, to protect the lien of title herein of FBS Agricultural Credit Corporation, or in any other case permitted by law in which Attorney fees may be collected from the Assignors, or charged upon the above-described property, the Assignors agree to pay reasonable Attorney fees. Further, in the event of any default by Assignors under the terms of that certain Loan Agreement dated July 3-4, 1984, and the other loan documents referred to therein, or under the terms of the Promissory Notes for which this Assignment is standing as security, then FBS Agricultural Credit Corporation, may, at the expense of Assignors, procure an Abstract of Title, or continuation thereof, for said premises, and charge and add to the indebtedness of Assignors the cost of such Abstract or continuation with interest upon such expense at the default rate provided in the Promissory Note secured hereby. It is further agreed that if default shall be made in the payment of said Note or in the fulfillment of any of the obligations of Assignors under the terms of said Loan Agreement and other loan documents, or any part of the interest thereon, or if the Assignors shall suffer or commit waste on or to said security, or if there shall be a failure to comply with any other condition imposed upon Assignors as Borrowers from FBS Agricultural Credit Corporation, then, at the option of FBS Agricultural Credit Corporation, said Note and the whole of the indebtedness secured by this Assignment or then owing to FBS Agricultural Credit Corporation, including all payments for taxes, assessments or insurance premiums, shall become due and shall become collectible at once by foreclosure or otherwise after such default or failure, and without notice of broken condition; and at any time after the commencement of an action in foreclosure, or during the period of redemption, the Court having jurisdiction of the case shall, at the request of FBS Agricultural Credit Corporation, appoint a receiver to take immediate possession of said property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all

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| FILE No. 194-90 | FILED FOR RECORD THE 11 DAY OF | STATE OF IOWA, DELAWARE COUNTY |
| RECORDING FEE $ 10.00 | July, 1984 AT 9:37 | Joan Sheppard, Recorder |
| TRANSFER FEE $ | O'CLOCK A M. BOOK 115 PAGE 207 | LD |

parties concerned, and shall be liable to account to said Assignors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure, and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest such sums in default secured by this assignment shall draw interest at the default rate provided in the Note secured hereby.

This Assignment of Contract is exempt from the imposition of real estate transfer tax pursuant to Iowa Code Section 428A.2(2).

Dated at 1:30 p.m., Linn County, Iowa, this 3rd day of July, 1984.

Joseph J. Paris

Linda L. Paris

Stephen D. Paris

Mary J. Paris

Thomas J. Paris

STATE OF IOWA (
) ss:
COUNTY OF Linn (

On this 3 day of July, 1984, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Joseph J. Paris and Linda L. Paris, a/k/a Linda Lou Paris, husband and wife, Stephen D. Paris and Mary J. Paris, a/k/a Mary Jo Paris, husband and wife, and Thomas J. Paris, a/k/a Thomas John Paris, Single, to me known to be the identical persons named in and who executed the same as their voluntary acts and deeds.

Nancy Link Lowenberg
Notary Public in and for the State of Iowa.
Nancy Lynk Lowenberg

| | | |
|---|---|---|
| FILE No. 66 | FILED FOR RECORD THE 11 DAY OF | STATE OF IOWA, BUCHANAN COUNTY, |
| RECORDING FEE $ 20.00 | JULY, 19 84 AT 10:17 | JEANNE SHANNON, Recorder |
| TRANSFER FEE $ | O'CLOCK A.M. BOOK 467 PAGE 343 | By, Deputy |

# REAL ESTATE MORTGAGE—IOWA

(Open-End: To Secure Present and Future Obligations and Advances)

**This Indenture** made this 3rd day of July A. D. 19 84

between Paris Bros., an Iowa Partnership, and Joseph J. Paris and Linda L. Paris, a/k/a Linda Lou Paris, husband and wife, Stephen D. Paris and Mary J. Paris, a/k/a Mary Jo Paris, husband and wife, and Thomas J. Paris, a/k/a Thomas John Paris, Single Mortgagors

of the County of Delaware and the State of Iowa, and FBS Agricultural Credit Corporation,

Mortgagee

of the County of Linn and State of Iowa

WITNESSETH: That the said Mortgagors, in consideration of One Million Five Hundred Thousand and No/100 Dollars ---------- DOLLARS

($ 1,500,000.00) loaned by Mortgagee, received by Mortgagors, and evidenced by the promissory note hereinafter referred to, and such additional loan or loans at the option of the Mortgagee, referred to in Paragraph 1, below, do, by these presents SELL, CONVEY AND MORTGAGE, unto the said Mortgagee FBS Agricultural Credit Corporation

(To create a joint tenancy for more than one Mortgagee, use appropriate words)

the following described Real Estate situated in the County of Buchanan State of Iowa, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF

together with all personal property that may integrally belong to, or be or hereafter become an integral part of said real estate, and whether attached or detached (such as: light fixtures, shades, rods, blinds, venetian blinds, awnings, storm windows, storm doors, screens, linoleum, water heater, water softener, automatic heating equipment and other attached fixtures), and hereby granting, conveying and mortgaging also all of the easements, servient estates appurtenant thereto, rents, issues, uses, profits and right to possession of said real estate, and all crops raised thereon from now until the debt secured thereby shall be paid in full. As to any such personal property, or fixtures, or both, a Security Interest hereby attaches thereto, as provided by the Uniform Commercial Code.

Said Mortgagors hereby covenant with Mortgagee, or successor in interest, that said Mortgagors hold clear title to said personal property, and title in fee simple to said real estate; that they have good and lawful authority to sell, convey and mortgage the same; that said premises are Free and Clear of all Liens and Encumbrances Whatsoever except as may be above stated; and said Mortgagors Covenant to Warrant and Defend the said premises and the said personal property against the lawful claims of all persons whomsoever, except as may be above stated.

Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the above described premises and waives all rights of exemption, as to any of said property.

**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 will be void, otherwise to remain in full force and effect.

1. **OPEN-END FEATURE.** This mortgage shall stand as security for said note, and for any and all future and additional advances made to the Mortgagors by the holder of said note in such amount or amounts so that the total of such future additional advances outstanding and unpaid at any one time shall not exceed $ 1,500,000.00 and Mortgagee is hereby given authority to make such future and additional advances to Mortgagors herein, upon their signed order or receipt, and secured as the original obligation herein. Such limitation upon the total amount of principal shall not be considered as limiting the amounts secured hereby if for accruing interest or for any amount for any protective disbursement advanced, or that may be taxed as costs to protect the security for loan or loans made, in accordance with the terms and provisions contained in this mortgage. **THIS PARAGRAPH SHALL NOT CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL LOANS IN ANY AMOUNT.**

2. **TAXES.** Mortgagors shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against said property, or any part thereof before same become delinquent, without notice or demand; and shall procure and deliver to said Mortgagee, on or before the fifteenth day of October of each year, duplicate receipts of the proper officers for the payment of all such taxes and assessments then due.

3. **INSURANCE.** Mortgagors shall keep in force insurance, premiums therefor to be prepaid without notice or demand, against loss by fire, tornado and other hazards, casualties and contingencies as Mortgagee may require on personal property as herein referred to, and on all buildings and improvements, in companies to be approved by Mortgagee in an amount not less than the full insurable value of such personal property and improvements or not less than the unpaid balance herein, whichever amount is smaller, with such insurance payable to Mortgagors and Mortgagee, as their interests may appear. Mortgagors shall promptly deposit such policies with proper riders with the Mortgagee.

4. **REPAIRS TO PROPERTY.** Mortgagors shall keep the buildings and other improvements on said premises in as good repair and condition as same may now be or are hereafter placed, ordinary wear and tear only excepted; and shall not suffer or commit waste on or to said security.

5. **ATTORNEYS' FEES.** In case of any action, or in any proceedings in any court, to collect any sums payable or secured by this mortgage, or to protect the lien or title herein of the Mortgagee, or in any other case permitted by law in which attorney fees may be collected from Mortgagors, or charged upon the above described property, Mortgagors agree to pay reasonable attorney fees.

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Book 461 Page 385

6. **CONTINUATION OF ABSTRACT.** In event of any default herein by Mortgagors, Mortgagee may, at the expense of Mortgagors procure an abstract of title, or continuation thereof, for said premises, and charge and add to the mortgage debt the cost of such abstract or continuation with interest upon such expense at the default rate provided in the note secured hereby.

7. **ADVANCES OPTIONAL WITH MORTGAGEE.** It is expressly understood and agreed that if the insurance above provided for is not promptly effected, or if the taxes or special assessments assessed against said property shall become delinquent, Mortgagee (whether electing to declare the whole mortgage due and collectible or not), may (but need not) effect the insurance above provided for, and need not, but may and is hereby authorized to pay said taxes and special assessments (irregularities in the levy or assessment of said taxes being expressly waived), and all such payments with interest thereon at the default rate provided in the note secured hereby from time of payment shall be a lien against said premises.

8.1. **ACCELERATION OF MATURITY AND RECEIVERSHIP.** It is agreed that if default shall be made in the payment of said note, or any part of the interest thereon, or any other advance or obligation which may be secured hereby or any agreed protective disbursement, such as taxes, special assessments, insurance and repairs, or if Mortgagors shall suffer or commit waste on or to said security, or if there shall be a failure to comply with any and every condition of this mortgage, then, at the option of the Mortgagee, said note and the whole of the indebtedness secured by this mortgage, including all payments for taxes, assessments or insurance premiums, shall become due and shall become collectible at once by foreclosure or otherwise after such default or failure, and without notice of broken conditions; and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and shall be liable to account to said Mortgagors only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest, such sums in default secured by this mortgage shall draw interest at the default rate provided in the note secured hereby.

8.2. **SIX MONTHS' AND 60 DAY PERIOD FOR REDEMPTION.** It is further agreed that if this mortgage covers less than 10 acres of land, and in the event of the foreclosure of this mortgage and sale of the property by sheriff's sale in such foreclosure proceedings, the time of one year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to 6 months provided the Mortgagee, in such action files an election to waive any deficiency judgment against the Mortgagors which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628, Code of Iowa. It is further agreed that the period of redemption after a foreclosure of this mortgage shall be reduced to 60 days if all of the three following contingencies develop: (1) The mortgaged real estate herein is less than 10 acres in size; (2) the Court finds affirmatively that said real estate has been abandoned by the owners and those persons personally liable under this mortgage at the time of such foreclosure; and (3) the Mortgagee in such action files an election to waive any deficiency judgment against the Mortgagors or their successor in interest in such action. If the redemption period is so reduced, the Mortgagors or their successors in interest or the owner shall have the exclusive right to redeem for the first 30 days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Code shall be reduced to 40 days. Entry of appearance by pleading or docket entry by or on behalf of the Mortgagors shall be a presumption that the property is not abandoned. Any such short redemptive period shall be consistent with all of the provisions of Chapter 408, 62nd G. A., amending Chapter 628, Code of Iowa.

9. **DEFINITION OF TERMS.** Unless otherwise expressly stated the word "Mortgagors", as used here, includes successors in interest of such "Mortgagors"; the "Mortgagee", as used herein, unless otherwise expressly stated, includes the successors in interest of such "Mortgagee". All words referring to "Mortgagor" or "Mortgagee" shall be construed to be of the appropriate gender and number, according to the context. This construction shall include the acknowledgment hereof.

** 10. The address of the Mortgagee is Park Place Center, II, 1231 Park Place, N.E.
(Street and Number)
Cedar Rapids (City) Iowa (State) 52402 (Zip Code) (See last sentence of Section 447.9 I.C.A.)

11. **ADDITIONAL PROVISIONS.** The following additional provisions are hereby incorporated herein: (Insert date of final payment if desired) The two Promissory Notes referred to is on or before July 1, 1989. "Future and additional advances" under Par. 1 shall include but not be limited to any renewal, extension or refinancing of the indebtedness referred to in this Mortgage.

** 9A. As used in this Mortgage, the words "Note," "the Promissory Note," and "Promissory Note" shall mean the Two Promissory Notes referred to in Paragraph 11.

IN WITNESS WHEREOF, said Mortgagors have hereunto set their hands the day and year first above written.

Joseph J. Paris

Linda L. Paris

Stephen D. Paris

Mary J. Paris

Thomas J. Paris

PARIS BROS.

By Thomas J. Paris, a Partner

By Stephen D. Paris, a Partner

By Joseph J. Paris, a Partner

"MORTGAGORS"

STATE OF IOWA )
) ss:
COUNTY OF Linn )

On this 3 day of July, 1984, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Joseph J. Paris and Linda L. Paris, a/k/a Linda Lou Paris, husband and wife, Stephen D. Paris and Mary J. Paris, a/k/a Mary Jo Paris, husband and wife, and Thomas J. Paris, a/k/a Thomas John Paris, Single, to me known to be the identical persons named in and who executed the same as their voluntary acts and deeds.

Nancy Lynk Lowenberg
Notary Public in and for the State of Iowa.
Nancy Lynk Lowenberg

STATE OF IOWA )
) ss:
COUNTY OF Linn )

On this 3 day of July, 1984, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Thomas J. Paris, Stephen D. Paris and Joseph J. Paris, to me personally known, who, being by me duly sworn, did say that they are the Partners in Paris Bros., an Iowa Partnership, executing the within and foregoing instrument to which this is attached, that said instrument was signed on behalf of said Partnership by authority of its Partners; and that said Partners as such Partners acknowledged the execution of said instrument to be the voluntary act and deed of said Partnership by it and by them voluntarily executed.

Nancy Lynk Lowenberg
Notary Public in and for the State of Iowa.
Nancy Lynk Lowenberg

EXHIBIT "A"

THE SOUTHWEST ¼ OF THE NORTHEAST ¼, AND THE WEST ½ OF THE SOUTHEAST ¼, EXCEPT THE EAST 723 FEET OF THE SOUTH 602.5 FEET OF THE SOUTHWEST ¼ OF THE SOUTHEAST QUARTER THEREOF, ALL IN SECTION 1, TOWNSHIP 89 NORTH, RANGE 7 WEST OF THE 5TH P.M. IN BUCHANAN COUNTY, IOWA.

THE SOUTH ½ OF THE NORTHEAST ¼, EXCEPT THE EAST 16 RODS OF THE NORTH 40 RODS OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼, AND ALL THAT PART OF THE SOUTH ½ OF THE NORTHWEST ¼, EAST OF THE QUASQUETON AND ANAMOSA ROAD, AND ALSO THE NORTHWEST ¼ OF THE NORTHEAST ¼, ALL IN SECTION 12, TOWNSHIP 87 NORTH, RANGE 8 WEST OF THE 5TH P.M. IN BUCHANAN COUNTY, IOWA.

THE NORTHWEST ¼ OF THE SOUTHWEST ¼, EXCEPT 3.75 ACRES IN THE SOUTHWEST CORNER THEREOF FOR CEMETERY; AND ALL THAT PART OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ LYING NORTH OF THE ROAD; AND THE WEST 14 RODS OF THAT PART OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ LYING NORTH OF ROAD; AND COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼, RUNNING THENCE SOUTH ALONG WEST LINE OF SAID 40 ACRES TO THE SOUTH-WEST CORNER THEREOF, THENCE EAST 14 RODS, THENCE NORTHWESTERLY TO A POINT 8 RODS AND 11 FEET EAST OF POINT OF BEGINNING, THENCE WEST TO BEGINNING, ALL IN SECTION 20, TOWNSHIP 90 NORTH, RANGE 7 WEST OF THE 5TH P.M. IN BUCHANAN COUNTY, IOWA.

THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 26, AND THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 35, ALL IN TOWNSHIP 90 NORTH, RANGE 7 WEST OF THE 5TH P.M. IN BUCHANAN COUNTY IOWA.

THE NORTHWEST FRACTIONAL ¼ AND THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF SECTION 18, TOWNSHIP 90 NORTH, RANGE 7 WEST OF THE 5TH P.M. IN BUCHANAN COUNTY, IOWA, EXCEPT THAT PART DEEDED TO THE STATE OF IOWA IN BOOK 309, PAGE 74.

# RESTRUCTURING AGREEMENT

THIS RESTRUCTURING AGREEMENT, dated as of April 27, 1994, is by and between the obligors, Paris & Sons, Inc., an Iowa corporation and successor by merger to Aurora Supply, Inc. (the "Corporation"); Paris Brothers, an Iowa general partnership (the "Partnership"); and the following individual obligors (the "Individual Obligors"), R. Dean Paris, Thomas J. Paris, Joseph J. Paris, Mary Jo Paris, Linda Paris, Debra A. Paris, the Estate of Mary J. Paris and the Estate of Stephen D. Paris (the Corporation, the Partnership and the Individual Obligors being hereinafter referred to from time to time, individually, as an "Obligor" and collectively, as the "Obligors") and the lender, FBS Agricultural Credit Corporation, a/k/a FBSD Agricultural Credit Corporation (the "Lender").

## RECITALS

A. Each of the Obligors is indebted to the Lender under one or more of the Notes described in Schedule A hereto. All the Notes mature on January 30, 1995.

B. The Obligors have granted to the Lender certain liens and security interests on real and personal property to secure payment of the Notes.

C. The Obligors and the Lender have previously agreed to certain payment schedules and interest rates with regard to the Notes.

D. The Obligors have requested the Lender to modify the payment schedules and the interest rates applicable to the Notes and to extend the maturity thereof.

E. The Lender is willing to modify the payment and interest terms and extend the maturity of the Notes upon the terms and subject to the conditions specified in this Agreement.

## ARTICLE I

## DEFINITIONS AND ACCOUNTING TERMS

Section 1.1 Defined Terms. As used in this Agreement the following terms shall have the following respective meanings and other capitalized terms used herein shall have the meanings provided in the opening paragraph hereof or in Schedule A hereto:

"Business Day": Any day (other than a Saturday, Sunday or legal holiday in the State of South Dakota) on which national banks are permitted to be open for business in Sioux Falls, South Dakota.

"Collateral": All property and interests in property now owned or hereinafter acquired by the Obligors or any of them in or upon which a Lien shall have been granted to the Lender by the Obligors or any of them under any security document or under any other document, instrument or writing executed by the Obligors or any of them and delivered to the Lender.

"Default": Any event which, with the giving of notice (whether such notice is required under Section 7.1, or under some other provision of this Agreement, or otherwise) or lapse of time, or both, would constitute an Event of Default.

"Effective Date": The day on or by which all the conditions precedent set forth in Article III, have been satisfied.

"Estates": The Estate of Stephen D. Paris and the Estate of Mary J. Paris.

"Executors": R. Dean Paris as executor for the Estate of Mary J. Paris and Mary Jo Paris as executor for the Estate of Stephen D. Paris.

"Event of Default": Any event described in Section 7.1.

"GAAP": Generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of any date of determination.

"Lien": With respect to any Person, any security interest, mortgage, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument or device (including the interest of each lessor under any capitalized lease), in, of or on any assets or properties of such Person, now owned or hereafter acquired, whether arising by agreement or operation of law.

"Maturity Date": January 1, 1998.

"Obligor Representative": Thomas J. Paris or R. Dean Paris or such other Obligor as all the Obligors may designate as the Obligor Representative in a writing delivered to the Lender.

"Person": Any natural person, corporation, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

Section 1.2 Accounting Terms and Calculations. Except as may be expressly provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

## ARTICLE II

## TERMS OF RESTRUCTURING

Section 2.1 Effect of Agreement. Upon the Effective Date the terms and conditions of this Agreement shall bind the Obligors and shall supersede the terms and conditions of all prior loan agreements and restructuring agreements entered into and between any Obligor or Obligors and the Lender. The Notes shall be subject to and governed by the terms and conditions hereof.

Section 2.2 Reaffirmation. All of the terms, conditions, provisions, agreements, requirements, promises, obligations, duties, covenants and representations of the Obligors under the Notes (as previously modified) and all collateral agreements including, without limitation, the mortgages and assignments of interests in real property described in Schedule A hereto, are hereby reaffirmed by the Obligors as modified and supplemented hereby; provided, however, in the case of security agreements previously delivered by the Obligors, or any of the them, the Obligors are

delivering to the Lender security agreements which by their terms supersede the provisions of such earlier security agreements.

Section 2.3 Acknowledgments of Obligors. The Obligors represent and warrant to the Lender that:

(a) The above Recitals are true and correct as of the date hereof.

(b) The principal balance of and accrued and unpaid interest on each Note as of April 1, 1994 is as set forth in Schedule B hereto.

(c) The obligations to the Lender evidenced by the Notes exist and are owing with no offset, defense or counterclaim assertable by the Obligors or any of them.

Section 2.4 Interest Rate, Default Interest, Principal and Interest Payments. Interest shall accrue and be payable on all Notes at a fixed rate of 9% per annum; provided, however, that any amount of principal of any Note not paid when due (whether at the date scheduled therefor or upon acceleration following an Event of Default) shall thereafter bear interest at a fixed rate of 11% per annum. Interest on the Notes shall be computed on the basis of actual days elapsed and a year of 360 days. Principal of and interest on each Note shall be payable in full on the Maturity Date and prior thereto shall be payable on the first day of each month, commencing on May 1, 1994, in the amounts specified in Schedule B hereto.

Section 2.5 Voluntary Prepayment. The Obligors may prepay the Notes, in whole or in part, at any time, without premium or penalty. Any such prepayment must be accompanied by accrued and unpaid interest on the principal balance outstanding. Prior to the occurrence of an Event of Default, each partial voluntary prepayment shall be applied to the Note designated by the Obligor Representative in the inverse order of maturities. Following an Event of Default, the Lender, in its sole discretion, may apply any partial payment to any Note or Notes and in such order of payment as it may determine.

Section 2.6 Mandatory Prepayments. The Obligors shall prepay principal of the Notes as specified below:

(a) From net income of the Corporation:

| % of Net Income | that is | Greater Than | and | Less Than or Equal to |
|---|---|---|---|---|
| 25% | | $250,000 | | $350,000 |
| 35% | | $350,000 | | $450,000 |
| 45% | | $450,000 | | $550,000 |
| 55% | | $550,000 | | $650,000 |
| 65% | | $650,000 | | $750,000 |
| 75% | | $750,000 | | $850,000 |
| 50% | | $850,000 | | N/A |

; provided, that, net income shall be determined on a cumulative basis as of the end of each fiscal year of the Corporation for such fiscal year and the preceding fiscal years beginning with fiscal year 1994. For example, the Obligors shall be obligated to pay the Lender as a mandatory prepayment 25% of net income of the Corporation in excess of $250,000 for a particular fiscal year if: (a) in the case of fiscal year ending August 31, 1994, net income for that year exceeds $250,000; (b) in the case of fiscal year ending August 31, 1995, net income for fiscal years ending August 31, 1994 and August 31, 1995

exceeds $500,000 in the aggregate, (c) in the case of fiscal year ending August 31, 1996, net income for fiscal years ending August 31, 1994, August 31, 1995 and August 31, 1996 exceeds $750,000 in the aggregate and in the case of fiscal year ending August 31, 1997, net income for fiscal years ending August 31, 1994, August 31, 1995, August 31, 1996 and August 31, 1997 exceeds $1,000,000 in the aggregate.

(b) From gross sales of the Corporation of (ice melt and bird feed):

| % of Gross Sales | Greater Than | for | FYE |
|---|---|---|---|
| 5% | $2,500,000 | | 1994 |
| 5% | $3,000,000 | | 1995 |
| 5% | $3,000,000 | | 1996 |
| 5% | $3,000,000 | | 1997 |

(c) From the Partnership:

(i) 50% of gross proceeds from corn sales for corn production in excess of 150 bushels per acre in each fiscal year.

(ii) 50% of gross proceeds from soybean sales for soybean production in excess of 50 bushels per acre in each fiscal year.

(d) All mandatory prepayments for the fiscal years ending 1994, 1995 and 1996 shall be paid during the following fiscal year as follows:

(i) an amount equal to 4/12 of the total prepayment shall be paid on or before December 31 of each fiscal year commencing December 31, 1994; and

(ii) an amount equal to 1/12 of the total prepayment shall be paid on the first day of each fiscal month after December 1, until and including August 31 of each fiscal year.

(e) Mandatory prepayments for the fiscal year ending August 31, 1997 shall be payable December 1, 1997. All mandatory prepayments shall be applied to principal of the Notes in the inverse order of maturities.

(f) Prior to the occurrence of Event of Default, mandatory prepayments required by this Section 2.6 shall be applied as follows:

(i) Mandatory prepayments made pursuant to Section 2.6(a) and Section 2.6(b) shall be applied first in reduction of principal of any Note or Notes made by the Corporation and any balance remaining following such application shall be applied against principal of any Note of any Obligor as the Lender may determine in its sole discretion.

(ii) Mandatory prepayments made pursuant to Section 2.6(c) shall be applied first in the reduction of any Note or Notes made by the Partnership and any balance remaining following such application shall be applied against principal of any Note of any Obligor as the Lender may determine in its sole discretion.

(g) Subsequent to the occurrence of an Event of Default, the Lender may apply any mandatory prepayment made pursuant to this Section 2.6 in reduction of any Note or Notes of any Obligor as the Lender may determine in its sole discretion.

Section 2.7 Proceeds from Collateral. Whenever the Obligors or any of them shall receive or come into the possession or control of any monies, checks, notes, drafts or any other payment relating to, or proceeds of, any Collateral, such Obligor or Obligors, unless otherwise permitted in a writing signed by the Lender, shall deliver the same to the Lender. In the case of any of the foregoing payment items that constitute proceeds of farm products of such Obligor or Obligors, the Lender shall release such proceeds to the Obligor remitting the same to the Lender so long as no Event of Default has occurred and is continuing. In the case of proceeds of any other Collateral, the Lender may apply such proceeds against any of the Note or Notes of any of the Obligors as the Lender shall determine in its sole discretion.

## ARTICLE III

## CONDITIONS PRECEDENT

Section 3.1 Effective Date. The effectiveness of this Agreement shall be subject to the prior or simultaneous fulfillment of each of the following conditions:

3.1 (a) Documents. The Lender shall have received the following:

(i) This Agreement duly executed by each Obligor.

(ii) A copy of the corporate resolutions of the Corporation authorizing the execution, delivery and performance of this Agreement and all other agreements to be executed and delivered by the Corporation pursuant to clauses (vii) and (viii) of this Section 3.1 (a) certified as of the date of execution of this Agreement by the Secretary or an Assistant Secretary of the Corporation.

(iii) A copy of the Articles of Incorporation of the Corporation with all amendments thereto, certified by the appropriate governmental official of the jurisdiction of its incorporation as of a date not more than ten days prior to the date of execution of this Agreement.

(iv) A certificate of good standing for the Corporation in the jurisdiction of its incorporation, certified by the appropriate governmental officials as of a date not more than ten days prior to the date of execution of this Agreement.

(v) A copy of the bylaws of the Corporation, certified as of the date of execution of this Agreement by the Secretary or an Assistant Secretary of the Corporation.

(vi) A copy of the partnership agreement of the Partnership with all amendments thereto certified by the partners thereof as being the full and complete partnership agreement and in full force and effect.

(vii) A guaranty from each Obligor, in form and substance satisfactory to the Lender, guaranteeing payment and performance of alll of the Notes.

(viii) Security agreements from each Obligor, in form and substance satisfactory to the Lender, securing paymentof all obligations of each such Obligor to the Lender and such financing statements as the Lender may require in connection therewith.

(ix) Evidence satisfactory to the Lender as to the authority of R. Dean Paris to bind the Estate of Mary J. Paris and the authority of Mary Jo Paris to bind the Estate of Stephen D. Paris.

(x) The opinion of counsel to the Corporation and to the Partnership covering such matters as the Lender may request.

3.1 (b) Other Matters. All corporate and legal proceedings relating to the Obligors and all instruments and agreements in connection with the transactions contemplated by this Agreement shall be satisfactory in scope, form and substance to the Lender and its counsel, and the Lender shall have received all information and copies of all documents, including records of corporate proceedings, which it may reasonably have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

3.1(c) Fees and Expenses. The Lender shall have received all fees and other amounts due and payable by the Obligors on or prior to the date of execution of this Agreement by the Lender, including the reasonable fees and expenses of counsel to the Lender payable pursuant to Section 8.2.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES

The Obligors represent and warrant to the Lender:

Section 4.1 Organization, Standing, Etc. of Corporation. The Corporation is a corporation duly incorporated and validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to carry on its business as now conducted, to enter into this Agreement and to execute and deliver all agreements and documents required by this Agreement to be so executed and delivered by it and to perform its obligations hereunder and thereunder. This Agreement and such agreements and documents have been duly authorized by all necessary corporate action and when executed and delivered will be the legal and binding obligations of the Corporation. The execution and delivery of this Agreement and such agreements and documents will not violate the Corporation's Articles of Incorporation or bylaws, any agreement binding on it or any law applicable to the Corporation. No governmental consent or exemption is required in connection with the Corporation's execution and delivery of this Agreement and such agreements and documents.

Section 4.2 Organization, Standing, Etc. of Partnership. The Partnership is a general partnership validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to carry on its business as now conducted, to enter into this Agreement and to execute and deliver all agreements and documents required by this Agreement to be so executed and delivered by it and to perform its obligations hereunder and thereunder. This Agreement and such agreements and documents when executed and delivered will be the legal and binding obligations of the Partnership. The execution and delivery of this Agreement and such agreements and documents will not violate the terms of the partnership agreement pursuant to which the Partnership was created and exists, any agreement binding on it or any law applicable to the Partnership. No

governmental consent or exemption is required in connection with the Partnership's execution and delivery of this Agreement and such agreements and documents.

Section 4.3 Authority of Executors; No Violations. R. Dean Paris as Executor for the Estate of Mary J. Paris and Mary Jo Paris as Executor for the Estate of Stephen D. Paris have all requisite power and authority to enter into this Agreement and to execute and deliver all agreements and documents required by this Agreement to be so executed and delivered by them on behalf of the Estates and to perform their obligations hereunder and thereunder. This Agreement and such agreements and documents when executed and delivered will be the legal and binding obligations of the Estates. The execution and delivery of this Agreement and such agreements and documents will not violate the terms of the letters testamentary or other instruments specifying their respective powers as executors, any agreement binding on either Estate or any law applicable to the Estates and the administration of the same. No governmental consent or exemption is required in connection with their execution and delivery of this Agreement and such agreements and documents in their capacities as Executors of the Estates.

Section 4.4 Binding Obligations of Individual Obligors, No Violations of Agreements or Laws. This Agreement and all agreements and documents required by this Agreement to be executed and delivered by the Individual Obligors when executed and delivered will be the legal and binding obligations of the Individual Obligors. The execution and delivery of this Agreement and such agreements and documents when executed and delivered will not violate the terms of any existing agreement binding on any of the Individual Obligors or violate any law applicable to them. No governmental consent or exemption is required in connection with their execution and delivery of this Agreement and such agreements and documents.

Section 4.5 Financial Statements and No Material Adverse Change. The Obligors have delivered to the Lender audited financial statements as of August 31, 1993 with respect to the Corporation and the Partnership, and unaudited personal financial statements as of December 31, 1993 with respect to each of the Obligors. Such financial statements fairly present the financial condition of the Obligors as of the dates thereof and the results of operations of the Corporation, the Partnership and of the farming operations of R. Dean Paris for the period ended on such dates, and have all been prepared in accordance with GAAP (in the case of the Corporation and the Partnership) or tax basis accounting (in the case of all Obligors other than the Corporation and the Partnership). Since December 31, 1993 there has been no material adverse change in the financial condition of any Obligors.

Section 4.6 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of any Obligor, threatened against or affecting any Obligor which, if determined adversely to such Obligor, would have, a material adverse effect on the condition of such Obligor. No Obligor is in violation of any law or regulation (including environmental laws and regulations and laws relating to employee benefit plans) where such violation could reasonably be expected to impose a material liability on such Obligor.

Section 4.7 Taxes. Each Obligor has filed all federal, state and local tax returns required to be filed by it or him or her and has paid or made provision for the payment of all taxes due and payable pursuant to such returns and pursuant to any assessments made against it, him or her or any of its, his or her property (other than taxes, fees or charges the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves have been provided on the books of the Obligors so affected).

Section 4.8 Licenses. Each Obligor is duly authorized and licensed to conduct its, his or her business as currently conducted under the laws, rulings, regulations and ordinances of the State of Iowa and the departments, agencies and political subdivisions thereof.

## ARTICLE V

## AFFIRMATIVE COVENANTS

Until the Notes and all of the Obligors' other obligations to the Lender shall have been paid in full, unless the Lender shall otherwise consent in writing:

Section 5.1 Financial Statements and Reports. The Obligors will furnish to the Lender:

5.1 (a) As soon as available and in any event within 120 days after the end of each fiscal year of the Corporation, financial statements of the Corporation, consisting of at least statements of income, cash flow, changes in financial position and stockholders' equity, and a balance sheet as at the end of such year, setting forth in each case in comparative form corresponding figures from the previous annual audit, certified without qualification by William F. O'Loughlin, C.P.A. or other independent certified public accountants of recognized standing selected by the Corporation and acceptable to the Lender.

5.1 (b) As soon as available and in any event within 30 days after the end of each fiscal month (i) unaudited financial statements for the Corporation for such month and for the period from the beginning of such fiscal year to the end of such month, substantially similar to the annual audited statements and (ii) cash flow projections for the subsequent 12 months, together with cash flow results for the preceding month and year to date comparing such results to the cash flow projections most recently delivered to the Lender for the same periods.

5.1 (c) As soon as available and in any event within 20 days after the end of each fiscal month, a collateral report for the Corporation substantially in the form of Exhibit A attached hereto.

5.1 (d) As soon as available and in any event within 120 days after the end of each fiscal year of the Partnership, financial statements of the Partnership, consisting of at least statements of income, cash flow, changes in financial position and partners' equity, and a balance sheet as at the end of such year, setting forth in each case in comparative form corresponding figures from the previous annual reviewed financial statement reviewed by William F. O'Loughlin, C.P.A. or other independent certified public accountants of recognized standing selected by the Partnership and acceptable to the Lender.

5.1 (e) As soon as available and in any event within 30 days after the end of each fiscal month (i) unaudited financial statements for the Partnership for such month and for the period from the beginning of such fiscal year to the end of such month, substantially similar to the annual reviewed statements and (ii) cash flow projections for the subsequent 12 months, together with cash flow results for the preceding month and year to date comparing such results to the cash flow projections most recently delivered to the Lender for the same periods.

5.1 (f) As soon as available and in any event within 20 days after the end of each fiscal month, a collateral report for the Partnership substantially in the form of Exhibit B attached hereto.

5.1 (g) As soon as available and in any event within 120 days of the end of each calendar year, personal financial statements for each of the Obligors other than the Corporation and the Partnership, prepared on a basis consistent with the personal financial statements referred to in Section 4.5.

5.1 (h) As soon as available and in any event within five days of the filing thereof, copies of each Obligor's federal income tax return.

5.1 (i) Immediately upon any Obligor becoming aware of any Default or Event of Default, a notice describing the nature thereof and what action the Obligors propose to take with respect thereto.

5.1 (j) From time to time, such other information regarding the business, operation and financial condition of the Obligors as the Lender may reasonably request.

Section 5.2 Corporate and Partnership Existence. The Corporation will maintain its corporate existence in good standing under the laws of its jurisdiction of incorporation.

Section 5.3 Insurance. The Obligors will maintain with financially sound and reputable insurance companies such insurance as may be required by law and such other insurance in such amounts and against such hazards as is customary in the case of reputable business operations engaged in the same or similar business and similarly situated, including without limitation, crop hail insurance coverage.

Section 5.4 Payment of Taxes and Claims. The Obligors will file all tax returns and reports which are required by law to be filed by them and will pay before they become delinquent, all taxes, assessments and governmental charges and levies imposed upon it or its property and all claims or demands of any kind (including those of suppliers, mechanics, carriers, warehousemen, landlords and other like Persons) which, if unpaid, might result in the creation of a Lien upon property of the Obligors or any of them.

Section 5.5 Inspection. The Obligors will permit any Person designated by the Lender to visit and inspect any of the properties, corporate books and financial records of the Obligors, to examine and to make copies of the books of accounts and other financial records of the Obligors, and to discuss the affairs, finances and accounts of the Obligors with the Obligors or any of them or their accountants at such reasonable times and intervals as the Lender may designate.

Section 5.6 Maintenance of Properties. The Obligors will maintain their respective properties in good condition, repair and working order, and supplied with all necessary equipment, and make all necessary repairs, renewals, replacements, betterments and improvements thereto, all as may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 5.7 Books and Records. The Obligors will keep adequate and proper records and books of account in which full and correct entries will be made of its dealings, business and affairs.

Section 5.8 Compliance. The Obligors will comply in all material respects with all laws, rules and regulations to which they may be subject.

Section 5.9 Notice of Litigation. The Obligors will give prompt written notice to the Lender of the commencement of any action, suit or proceeding affecting the Obligors or any of them.

## ARTICLE VI

## NEGATIVE COVENANTS

Until all of the Obligors' obligations to the Lender shall have been paid in full, unless the Lender shall otherwise consent in writing:

Section 6.1 Merger. The Corporation will not merge or consolidate or enter into any analogous reorganization or transaction with any Person and neither the Corporation nor the Partnership will liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2 Sale of Assets. The Obligors will not sell, transfer, lease or otherwise convey all or any substantial part of their respective assets except for sales and leases of inventory in the ordinary course of business.

Section 6.3 Distributions. The Corporation will not pay any dividends or otherwise make any distributions on, or redemptions of, any of its outstanding stock. The Partnership will not make any distributions to its partners.

Section 6.4 Capital Expenditures. The Obligors will not make expenditures for fixed or capital assets in an amount exceeding $50,000 in the aggregate in any fiscal year. For purposes of this Section 6.4, the aggregate amount payable under a capital lease over the life of the lease shall be treated as a capital expenditure during the year in which the relevant Obligor enters into the lease.

Section 6.5 Investments. No Obligor will make any loans, advances or extensions of credit to any other Person (except for trade and customer accounts receivable for inventory sold or services rendered in the ordinary course of business and payable in accordance with customary trade terms) or purchase or acquire any stock or other debt or equity securities of or any interest in any other Person or any integral part of any business or the assets comprising such business or part thereof, except for:

6.5 (a) Investments in readily marketable direct obligations issued or unconditionally guaranteed by the United States government or any agency thereof and supported by the full faith and credit of the United States.

6.5 (b) Certificates of deposit or bankers acceptances issued by any commercial Lender organized under the laws of the United States or any State thereof which has (i) combined capital and surplus of at least $100,000,000, and (ii) a credit rating with respect to its unsecured indebtedness from a nationally recognized rating service that is satisfactory to the Lender.

6.5 (c) Commercial paper given the highest rating by a nationally recognized rating service.

6.5 (d) Repurchase agreements relating to securities of the kind described in Section 6.5 (a).

6.5 (e) Other readily marketable investments in debt securities which are reasonably acceptable to the Lender.

Investments under clauses (a), (b), (c) or (d) above shall mature within one year of the acquisition thereof by any Obligor.