DELAWARE COUNTY IOWA
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BOOK 3 PAGE 200
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
3/.00

CSB

Prepared by: James W. Radig, PO Box 5878, Cedar Rapids IA 52406, 319-364-0900

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT is made as of March 7, 2003, by **EASTERN IOWA PORK, INC.**, an Iowa corporation ("**Assignor**").

IT IS AGREED AS FOLLOWS:

1. **Definitions**.

(a) "**LOAN**" as hereinafter used shall mean the loan in the original principal sum of $2,300,000.00 as evidenced by the Note and Mortgage referred to in paragraphs (b) and (d) below, as well as other securing agreements and instruments.

(b) "**MORTGAGE**" shall mean that certain Mortgage dated January 17, 1996 and filed with the office of the Recorder of Delaware County, Iowa, File No. 188-1989, made by and between Assignor and COMMUNITY SAVINGS BANK, Edgewood, Iowa ("**Bank**"), securing a Note in the principal sum of $2,300,000.00.

(c) "**MORTGAGED PROPERTY**" shall mean the real estate described in Exhibit A attached hereto.

(d) "**NOTE**" shall mean that certain Promissory Note payable to Bank, identified as Loan No. 7031202 and dated January 17, 1996 in the original principal sum of $2,300,000.00 executed pursuant and in reference to the Mortgage referred to above by Assignor, as maker, and payable to the Bank, as payee, and all renewals, extensions and replacements thereof.

(e) "**CREDIT AGREEMENT**" shall mean that certain Credit Agreement, dated as of March 7, 2003, made by EIP Manufacturing, L.L.C. and Bank.

(f) "**FIXTURES**" shall mean the machinery and equipment which are identified in Exhibit B attached hereto.

NOW, THEREFORE, for and in consideration of amendment of said Loan, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor, for itself, its

successors and assigns, has bargained, sold, transferred, assigned, conveyed, set over and delivered, and by these presents does hereby bargain, sell, transfer, assign, and convey as security for the repayment of the above-described indebtedness and the payment or performance of all of the terms and conditions of the Note and Mortgage and any and all amendments, extensions and renewals thereof, all leases now existing or hereafter executed affecting the Mortgaged Property and Fixtures, and all rents, issues, profits, and income and sums of money which may now or hereafter be or become due and owing under and by virtue of said leases, it being the intention hereby to establish a complete transfer and assignment of the leases hereby assigned and all the avails thereunder unto the Bank, its successors and assigns, together with the right, but without the obligation, to collect all of the said rents, issues, profits and income arising or accruing, or which may become due at any time during the life of this Assignment. Assignor further agrees, upon demand, to deliver to and deposit said leases with the Bank.

Notwithstanding anything in this Assignment of Leases and Rents to the contrary, so long as no Event of Default exists under the Loan or Mortgage, or any related loan agreement made by Assignor and Bank, Assignor shall be entitled to collect and keep, all rents, issues, profits and incomes which may come due from lessees and other occupants of the Mortgaged Prpoerty.

Upon the occurrence of an Event of Default under the Loan or Mortgage, or any related loan agreement made by Assignor and Bank, the lessees and occupants of the Mortgaged Property or any part hereof, are hereby expressly authorized and directed to pay to the Bank all rents and sums herein assigned which would be payable to Assignor, except for this Assignment, and to transmit and deliver such payment to the Bank, or such nominee as it may designate in writing.

The Bank is hereby vested with full power to use all such measures, legal and equitable, as in its discretion may be deemed necessary or proper to enforce this Agreement and to collect the rents, issues, profits and income assigned hereunder, including the right to enter upon the Mortgaged Property and to take possession thereof, and Assignor hereby grants full power and authority to the Bank to exercise all rights, privileges and powers herein granted at any and all times hereafter, without notice to the Assignor, with full power to use and apply all of the rents, issues, profits and income herein assigned to the payments of the Indebtedness of the Assignor to the Bank.

The Bank shall be under no obligation to Assignor to press any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations undertaken by the Assignor under the leases, and it does not assume any of the liabilities in connection with, or rising or growing out of, the covenants and agreements of the Assignor. Assignor covenants and agrees that it will faithfully perform all of the obligations imposed upon it under the leases herein assigned, and agrees to indemnify the Bank, and hold the Bank harmless from any and all liability, loss or damage which may or might be incurred by the Bank by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants, or agreements contained in the leases. It is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of said leased premises or Fixtures upon the Bank, nor for the carrying out of any of the terms and conditions of the leases, nor shall it operate to make the Bank responsible or liable for any waste committed on the property by tenants or occupants under such leases or any other party, or for any dangerous or defective

condition of the leased premises or Fixtures resulting in loss, injury or death to any tenant, licensee, employee, occupant or any other person.

Upon payment in full of the Indebtedness for which this Assignment is additional security, this Agreement shall be null and void, otherwise, it shall remain and be in full force and effect as herein provided, and together with the covenants and warranties herein contained, shall inure to the benefit of the Bank and any subsequent holder of said Indebtedness, and shall be binding upon the Assignor, its successors and assigns, including any subsequent owner of the Mortgaged Property.

This Assignment of Leases and Rents is subject to the terms and conditions of the Credit Agreement and in the event of any conflict between the terms and conditions of the Credit Agreement and of this Assignment of Leases and Rents, the Credit Agreement shall prevail.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

IN WITNESS WHEREOF, Assignor has executed this Agreement as of the day and year above written.

EASTERN IOWA PORK, INC.

By: Eileen M. Keuter, President
Eileen M. Keuter, President

By: Kathryn L. Krapfl, Secretary
Kathryn L. Krapfl, Secretary

STATE OF IOWA, Delaware COUNTY, ss:

On this 7th day of Mar, 2003, before me, the undersigned, a Notary Public in and for said State, personally appeared Eileen M. Keuter and Kathryn L. Krapfl, to me known, who being by me duly sworn, did say that they are the President and Secretary, respectively, ofEastern Iowa Pork, Inc; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Eileen M. Keuter and Kathryn L. Krapfl, 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.



Notary Public in and for the State of Iowa

EXHIBIT "A"

Parcel "A," part of the Frac. Northeast Quarter of the Northeast Quarter (Frl. NE ¼ - NE ¼) and part of the Southeast Quarter of the Northeast Quarter (SE ¼ - NE ¼) of Section 2, Township 88 North, Range 4 West of the Fifth Principal Meridian, Delaware County, Iowa, according to Plat Recorded in Book 7 Plats, Page 134

AND

All that part of the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section Two (2), Township Eighty Eight (88) North, Range Four (4), West of the Fifth Principal Meridian lying North and East of the highway running through said tract, except any part thereof acquired by the State of Iowa by condemnation proceedings described in Book J Misc., Pages 577-593

EXHIBIT "B"

LEASED MACHINERY AND EQUIPMENT (FIXTURES)

Verson punch press

Powder paint line with four stage washer and wheelabrator

Big Lewis one inch coil line

Nine bridge cranes

TDK 1,000/3G drilling machine and saw