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MICHELLE "MICKI" UTSLER, COUNTY RECORDER
MADISON IOWA

COMPUTER	<input checked="" type="checkbox"/>
RECORDED	<input checked="" type="checkbox"/>
COMPARED	<input checked="" type="checkbox"/>

VSATC

Preparer
Information: Metropolitan Life Insurance Company, 4401 Westown Parkway, Ste. 220, W. Des
Moines, IA
50266-1037, (515) 223-5600

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter called the "Mortgage"), made this 2e day of June, 2005 between ROSE ACRE FARMS, INC. an Indiana corporation, having its principal office and place of business at 6874 North Base Road, Seymour, Indiana 47274 (hereinafter called the "Borrower"), and METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation, having its principal office and place of business at One Madison Avenue, New York, New York 10010 or any subsequent holder of the Note (as hereinafter defined) (hereinafter called the "Lender");

WITNESSETH:

WHEREAS, Borrower is justly indebted to Lender in the principal sum of Fifty Million and 00/100 Dollars (\$50,000,000.00) as evidenced by a certain Adjustable Rate Secured Promissory Note of even date herewith, the final payment of which is due on the first day of January, 2020, executed by Borrower and delivered to Lender (which note, together with all notes issued in substitution or exchange therefor, as any of the foregoing may be amended, extended, modified or supplemented from time to time hereafter, is hereinafter called the "Note") and as evidenced by a certain Loan Agreement and separate Construction Disbursement

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Chicago Title Insurance Company
222 South Ninth Street, Suite 3250
Minneapolis, MN 55402

Agreement, each respectively, of even date herewith (herein, individually and collectively, the "Loan Agreement"), and as evidenced by a Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement of even date herewith, and related financing statements, relating to certain real property and associated personalty located in or near Ponzer, North Carolina (the "Ponzer Deed of Trust"), and as evidenced by a Mortgage and Security Agreement of even date herewith, and related financing statements, relating to certain real property and associated personalty located in or near Guthrie Center, Iowa (the "Guthrie Center Mortgage", and together with the Ponzer Deed of Trust, the "Other Mortgages") and as evidenced by a certain Security Agreement of even date herewith and related financing statements (the "Security Agreement") and as evidenced by three certain Assignments of Rents and Leases of even date herewith and recorded contemporaneously herewith (the "Assignments"), and as evidenced by a certain Assignment of Permits and Licenses of even date herewith (the "Assignment of Permits and Licenses"), and as evidenced by certain other documents and instruments dated on or about the date hereof; and

WHEREAS, Lender is desirous of securing the prompt payment of the Note, together with interest and premium, if any, thereon and late charges, if any, due thereunder, in accordance with the terms of the Note and the Loan Agreement, and any additional indebtedness accruing to Lender on account of any future advances up to the maximum amount of Fifty Million and 00/100 Dollars (\$50,000,000.00), and payments or expenditures made by Lender pursuant to the Note, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses, this Mortgage and such other documents and instruments, all hereinafter sometimes collectively called the "indebtedness secured hereby";

NOW, THEREFORE, to secure the performance and observance by Borrower of all the terms, covenants and conditions in the Note, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses, in this Mortgage, and in such other documents and instruments contained, and in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sums disbursed by Lender under the Note and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, Borrower has executed and delivered this Mortgage and does hereby grant, assign, mortgage, grant a security interest in, warrant and confirm unto Lender and its successors and assigns, forever, all of the following described property (such property is hereinafter sometimes referred to as the "Mortgaged Property"), to-wit:

(A) All those certain tracts, pieces or parcels of land and the easements, options and rights of first refusal, if any, more particularly described in "Schedule A" attached hereto and made a part hereof (hereinafter called the "Land");

(B) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all things now or hereafter affixed to the Land, including, without limitation, all such apparatus, fixtures, equipment, systems and building materials of

every kind and nature whatsoever, and articles of tangible and intangible property, now owned or hereafter acquired by Borrower,

(a) all livestock and poultry systems, equipment, apparatus and facilities, feed and water delivery systems, ventilation systems, cleaning, scraper and lagoon systems, corrals, pens, crates, fences, loading and unloading equipment and systems, laboratory equipment, water tanks, pasteurizers, sterilizers, baths, freezer chests, incubators, cabinets and benches, tracks, dock lights and pads, building divider curtains, pulleys, cables, slats, gates, manure removal systems, fans, standby electrical generating equipment, engines, feeders, feed bins, heat exchangers, curtains, plywood, thermostats, racks, water systems, gutters, wire flooring, medicators, washers, conveyors,

(b) all grain storage, milling and drying systems, equipment and facilities, fans, silos, bins, scales, bulk petroleum tanks, fuel tanks, water and fuel pumping and metering equipment, feed plants (including milling, storage and blending equipment), blowers, dryers, hoists, radiators, heaters, engines and machinery, boilers, transformers and related transmission and safety facilities, meters, elevators, conveyors and motors, extensions, roller mills, collectors, exhausters, liquid fat piping, screens, collectors, hammermills, bag collectors, pellet coolers, grinders, belt elevators, table conveyors, bucket elevators, receiving screws, bins, tanks, batch scales, temperature monitors, paddle mixers, scalpers, shakers and screens, samplers, railroad loadout equipment, railroad track scale, batching systems, grain probes, pellet die, aeration equipment, electronic scale equipment, scale hoppers, grain moisture testers, furnaces, shelves, micro analyzers, crude fiber extractors, and fat extractors,

(c) all gas and electric fixtures, well equipment, pumps, pipes, risers, electrical apparatus, lumber, couplings, valves, fire extinguishers, sprinklers, plumbing, compressors, air doors, blower/weed eaters, welders, signs, jacks, chargers, lights, tanks, pallets, water coolers, ladders, plumbing and heating fixtures and systems, signs, water heaters, air-conditioning, cooling, heating and ventilation apparatus and systems (including, without limitation, temperature monitors and photohelic controls), lockers, tools, condensers, conveyors, packers, scales, and motors, lathes, air compressors, computer card readers, sandblasting equipment, jackhammers,

(d) telephone, alarm systems and other communications equipment and apparatus, computers and all hardware and software (excluding any software subject to a license agreement that by its terms is not assignable) therefor, all office equipment and furniture, lockers, desks, file cabinets, computers, printers, monitors, incinerators, label makers, radios, time clocks, postage machines and scales, check signers, video camera equipment, typewriters, photocopiers, fax machines, clocks, refrigerators, chairs, credenzas, calculators, lab equipment, microscopes, incubators, ovens, burners, hoods, trash dumpsters and receptacles, carpeting and other floor coverings, ranges, washers and dryers,

(e) all machinery and equipment for waste water treatment, including, without limitation, flush tanks, aeration basins, clarifiers, chlorine basins, air blowers and meters, all irrigation systems, pumps, pivots, pipes, connections, controls, electrical panels, tanks, engines and related apparatus,

(f) all shop machinery and equipment, including, without limitation, jacks, tire cages, lube pumps, welders, drill presses, battery chargers, grinders, pressure washers, parts washers,

(g) all livestock and poultry equipment, including but not limited to, gates, feeders, feed delivery systems, milking systems, bulk tanks, monitors, alarms, waterers, crates, scales, medicators, loading chutes, curtains, cooling equipment, heating and ventilation equipment,

(h) all Waste Disposal Agreements as more particularly described in that certain Assignment of Waste Disposal Agreements (Including Manure Easements) executed and delivered by the Borrower in favor of Lender in connection herewith, and

(i) all Additional Collateral as more particularly described on Exhibit "A-1" hereto,

which are or shall be attached to said buildings, structures or improvements, or which are or shall be located in, on or about the Land, or which, wherever located (including, without limitation, in warehouse or other storage facilities or in the possession of or on the premises of vendors or manufacturers thereof), are used or intended to be used in or in connection with the construction, fixturing, equipping, furnishing, use, operation or enjoyment of the Land or the improvements thereon, and all permits, licenses, plans, specifications, franchises, contract rights, construction contracts and subcontracts, general intangibles, chattel paper, instruments, documents, options, rights of first refusal and leasehold interests, now or hereafter owned by Borrower and relating to the ownership, use, operation or enjoyment of the Land, the improvements thereon, and the fixtures, equipment and personal property described above, and also including all extensions, additions, improvements, betterments, renewals, replacements, proceeds, accessions, products and substitutions of any of the foregoing, together with the benefit of any deposits, monies, rebates, refunds, repayments, claims or payments therefore (irrespective of the time period to which the foregoing relate), including, without limitation, those in respect of taxes, utilities, insurance or condemnations, now or hereafter made or received by Borrower or on its behalf in connection with any of the foregoing, in each case, to the extent that such items arise or relate to the Land and such other property described in Paragraphs (A) through (D) hereof; provided, however, the Mortgaged Property shall not be construed to include inventory or farm products, livestock, feed, supplies or licensed motor vehicles, any accounts (other than accounts that constitute proceeds of the Land and other property described in Paragraph (A) through (D) hereof), chattel paper, contract rights, general intangibles, instruments, documents or proceeds related thereto or arising therefrom;

(C) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, licenses, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating to or appertaining to the Land and the property referred to in Paragraph B above, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, now owned or hereafter acquired by Borrower, including, without limitation, those described in the Assignment of Waste Disposal Agreement, and the reversion and reversions, remainder and remainders, and the rents, issues, profits and revenues of the Land and the property referred to in Paragraph B, above from time to time accruing, and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same; and

(D) Any and all greater right, title and interest which Borrower may hereafter acquire in and to all or any portion of the Mortgaged Property, which shall be deemed to be automatically included and encumbered by this Mortgage, without the necessity of further filings.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Lender, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Borrower hereby further grants unto Lender, pursuant to the provisions of the Uniform Commercial Code of the State of Iowa as in effect from time to time, a security interest in all of the above-described property, which property includes, without limitation, goods which are or are to become fixtures.

This Mortgage is intended to operate as a financing statement to perfect the security interest of Lender in and to all fixtures included in the Mortgaged Property, pursuant to the terms of Iowa Code §§ 554.9334 and 554.9502.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby and any and all additional advances made by Lender to protect or preserve the Mortgaged Property, (b) performance of each and every one of the covenants, conditions and agreements contained in this Mortgage, in the Note, in the Loan Agreement, in the Other Mortgages in the Assignments, in the Assignment of Permits and Licenses and in the Security Agreement and all amendments, renewals, extensions, modifications or supplements thereto, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the Note, and (c) any and all future advances as may be made by Lender up to the maximum amount of \$50,000,000.00.

PROVIDED, HOWEVER, that these presents are upon the condition that, if Borrower shall pay or cause to be paid to Lender the principal, interest and premiums payable pursuant to the Note or the Loan Agreement, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall keep, perform and observe each and every one of the covenants and promises in the Note and in

this Mortgage, the Loan Agreement, the Other Mortgages, the Assignments, the Assignment of Permits and Licenses, the Security Agreement and such other documents and instruments expressed to be kept by Borrower, then this Mortgage shall be released by Lender.

AND Borrower covenants and agrees with Lender that:

ARTICLE I.

1.01 Performance of Documents. Borrower will perform, observe and comply with all provisions hereof and of the Note, the Loan Agreement, the Other Mortgages, the Assignments, the Assignment of Permits and Licenses, the Security Agreement and such other documents and instruments, and will duly and punctually pay to Lender the sum of money expressed in the Note with interest and premium, if any, thereon and all other sums required to be paid by Borrower pursuant to the provisions of the Note, the Loan Agreement, the Other Mortgages, this Mortgage, the Assignments, the Assignment of Permits and Licenses, the Security Agreement and such other documents and instruments, all without any deductions or credit for taxes or other similar charges paid by Borrower.

1.02 Representation of Title. At the time of the delivery of these presents, Borrower is well seized of an indefeasible estate in fee simple in the portion of the Mortgaged Property which constitutes real property, and that Borrower owns good title to the portion of the Mortgaged Property which constitutes personal property, subject only to the matters set forth in Schedule "B" attached hereto and made a part hereof, and has good right, full power and lawful authority to convey and mortgage and grant a security interest in the same, in the manner and form aforesaid; that, except as set forth in Schedule "B" hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and encumbrances whatsoever, including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature; and that Borrower shall and will warrant and forever defend the title to the Mortgaged Property against the claims of all persons whomsoever.

1.03 Taxes, Liens and Other Charges.

(a) Borrower will pay promptly, when and as due, and will promptly exhibit to Lender receipts for the payment of, all taxes, assessments, water rates, sewer charges, license fees, dues, charges, fines and impositions of every nature whatsoever charged, imposed, levied or assessed or to be charged, imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon the interest of Lender in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality or other taxing authority in respect of the Mortgaged Property or any part thereof, or any charge which, if unpaid, would or could become a lien or charge upon the Mortgaged Property, or any part thereof, provided that Borrower shall not be required to pay any of the foregoing items which may become a lien upon the Mortgaged Property, to the extent such items become a lien prior to the date payment thereof is due.

Notwithstanding the foregoing, Borrower shall have the right to contest the amount of any real estate taxes and assessments pursuant to applicable law, so long as the following conditions are met:

- i. Such taxes and assessments are paid in full prior to the date of any delinquency or the date additional penalties would be assessed;
- ii. Prior to the date of such contest, Borrower shall provide Lender with bond or escrow deposit satisfactory to Lender in an amount equal to at least 120% of the amounts contested and remaining unpaid;
- iii. Such contest shall be in accordance with all applicable laws; and
- iv. Upon final determination of the amounts of such taxes and assessments, Borrower shall immediately pay all amounts due. Notwithstanding the foregoing, Lender may require Borrower to immediately pay such taxes and assessments being contested if Lender determines that its security may be impaired thereby.

(b) Borrower will not suffer any construction, mechanic's, laborer's, materialmen's, manager's, statutory or other lien or any security interest or encumbrance to be created or to remain outstanding upon any of the Mortgaged Property except for matters set forth on Schedule "B" hereto.

(c) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely Lender, all sums secured by this Mortgage and all interest accrued thereon shall, without notice, become due and payable forthwith at the option of Lender.

(d) Borrower will pay when due any charges for utilities, whether public or private, with respect to the Mortgaged Property or any part thereof and all license fees, rents or other charges for the use of any appurtenances to the Mortgaged Property.

(e) Borrower will pay to Lender on the first day of each month, together with and in addition to the regular installment of principal and interest, until all indebtedness secured hereby is fully paid, an amount equal to one-twelfth (1/12) of the yearly (i) taxes, assessments and other similar charges as estimated by Lender to be sufficient to enable Lender to pay at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof, and (ii) premiums for insurance required by Paragraph 1.05 hereof as estimated by Lender to be sufficient to enable Lender to pay at least thirty (30) days before they become due all such premiums for insurance. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender or its designee, and

no interest shall be payable in respect thereof. Payment by Lender for such purposes may be made by Lender at its discretion even though subsequent owners of the Mortgaged Property may benefit thereby. In refunding (at its election) any of the amounts held by Lender pursuant to this Paragraph 1.03(e), Lender may deal with whomever is represented to be the owner of the Mortgaged Property at such time. Upon demand of Lender, Borrower agrees to deliver to Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Lender to pay such taxes, assessments and other similar charges and insurance premiums. Lender may apply to the reduction of the sums secured hereby, in such manner as Lender shall determine, any amount held by Lender hereunder. The foregoing obligations of Borrower are subject to the condition that Borrower shall not be required to pay such items to Lender unless and until an Event of Default occurs.

1.04 No Tax Credits. Borrower will not claim or demand or be entitled to receive any credit or credits on the principal, interest or premiums payable under the terms of the Note or the Loan Agreement or on any other sums secured hereby for so much of the taxes, assessments or similar charges assessed against the Mortgaged Property or any part thereof as are applicable to the indebtedness secured hereby or to Lender's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the Note, this Mortgage, the Other Mortgages, the Loan Agreement, the Assignments or the Security Agreement.

1.05 Insurance. Borrower will procure and maintain for the benefit of Lender during the term of this Mortgage, a policy or policies (i) insuring the Mortgaged Property against fire, lightning, extended coverage, vandalism and malicious mischief and such other insurable perils as Lender may reasonably require, (ii) public liability insurance in an amount reasonably acceptable to Lender, (iii) if required by Lender, business interruption insurance in an amount acceptable to Lender, (iv) machinery insurance, if required by Lender, covering physical damage to livestock and poultry systems, feedmill systems or such additional fixtures and equipment as Lender reasonably may require at any time (such insurance will also include physical damage to the Mortgaged Property), and (v) affording such other or additional coverage as from time to time may be reasonably requested by Lender. Borrower shall pay for all premiums on such policies. The companies issuing such policies, and the amounts, forms, expiration dates and substance of such policies, shall be reasonably acceptable to Lender and shall contain, in favor of Lender, the New York Standard Non-Contributory Mortgagee Clause, or its equivalent, and a Lender's Loss Payable Endorsement, in form satisfactory to Lender, and a Replacement Cost Endorsement, in form satisfactory to Lender. At least fifteen (15) days prior to the expiration date of each such policy, a renewal thereof satisfactory to Lender shall be delivered to Lender. Borrower shall deliver to Lender receipts evidencing the payment for all such insurance policies and renewals. The delivery of the insurance policies shall constitute an assignment as further security for the indebtedness secured hereby of all unearned premiums. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment in whole or in part of the indebtedness secured hereby, all right, title and interest of Borrower in and to all insurance policies then in force shall pass to the purchaser or grantee.

Lender is hereby authorized and empowered, at its option, to make or file proofs of loss or damage and to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender instead of to Borrower. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, Lender may apply the net proceeds or any part thereof, at its option, either toward restoring the Mortgaged Property or as a credit on any portion of the indebtedness secured hereby, including, without limitation, any premium, selected by it, whether then matured or to mature in the future, or at the option of Lender, such sums either wholly or in part may be paid over to Borrower, on such terms and conditions as Lender in its discretion may specify, to be used to repair the buildings, structures or improvements, or to build new ones in their place, or for any other purpose or object satisfactory to Lender in accordance with the terms of this Mortgage or the other security documents, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure or for any use by Borrower of such proceeds as Lender may pay over to Borrower.

1.06 Condemnation. If all or the Mortgaged Property or any part thereof that is reasonably necessary for the continuation of the business operations of Borrower being conducted thereon shall be damaged or taken through condemnation (which term, when used in this Mortgage, shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby, including, without limitation, any premium, shall, at the option of Lender, become immediately due and payable, and in that case Lender shall be entitled to receive all compensation, awards and other payments or relief therefor for application to the indebtedness secured hereby. If an Event of Default has occurred and is continuing hereunder, Lender is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Borrower's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. Notwithstanding the foregoing sentence, Lender may at any time commence, appear in and prosecute any such action or proceeding, or settle or compromise any claim in connection therewith, with respect to its interests as hereunder. All such compensation, awards, damages, claims, rights, actions and proceedings, and the right thereto shall form a part of the Mortgaged Property. After deducting from said condemnation proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, Lender shall apply the net proceeds or any part thereof, at its option, either toward restoring the Mortgaged Property or as a credit on any portion of the indebtedness secured hereby selected by it, whether then matured or to mature in the future, or as may be authorized by applicable law or set forth herein, without affecting the lien of this Mortgage. Borrower agrees to execute such further assignments of any such compensations, awards, damages, claims, rights, actions and proceedings as Lender may require. Lender shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of such failure or for any use by Borrower of such amounts as Lender may pay over to Borrower.

1.07 Care of the Property.

(a) Borrower will preserve and maintain the Mortgaged Property in good condition and repair, ordinary wear and tear excepted, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Borrower will not do or suffer to be done anything, which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof beyond that which normally exists in the type of operations presently conducted on the Mortgaged Property, or otherwise in violation of the terms of any insurance policies covering the Mortgaged Property or the activities thereon.

(b) Except as otherwise provided herein or in Sections 8.5. or 8.7 of the Loan Agreement, no buildings, structures, improvements, fixtures, personal property or other part of the Mortgaged Property shall be removed, added to, demolished or altered structurally to any extent or altered nonstructurally in any material respect without the prior written consent of Lender.

(c) If the Mortgaged property or any part thereof is damaged by fire or any other cause, Borrower will give immediate written notice of the same to Lender.

(d) Borrower will promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, in all material respects, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof or the use or occupancy thereof and with all material terms, covenants, conditions and restrictions of any instruments and documents of record or otherwise affecting the Mortgaged Property, or any part thereof, or the use or occupancy thereof.

(e) If all or any material part of the Mortgaged Property shall be damaged by fire or other casualty, Borrower will promptly restore the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor and whether or not the same are made available by Lender for such purpose. If a material part of the Mortgaged Property shall be physically damaged through condemnation, Borrower will promptly restore, repair or alter the remaining property in a manner satisfactory to Lender.

(f) Borrower hereby represents and warrants to Lender (i) that the Mortgaged Property does not have stored or contained on it any waste, asbestos, oil or petroleum hydrocarbons, pesticides or toxic or hazardous substances or any such materials, including such materials in underground storage tanks, other than those poultry and livestock wastes, pesticides, herbicides and other agricultural and commercial chemicals or products customarily used or produced in the egg production and processing and feedmill facilities and related agricultural operations of the type currently conducted by Borrower on the Mortgaged Property; (ii) that, other than as set forth in the environmental audits provided to Lender, Borrower is not now party to any litigation or

administrative proceedings and none is presently threatened, which asserts or alleges that Borrower violated any federal, state or local environmental law, statute, or regulation or the common law of any state pertaining to the condition or use of the Mortgaged Property; (iii) that, other than as set forth in the environmental audits provided to Lender, Borrower is not now subject to any judgment, decree, order or citation related to or arising out of any federal, state, or local environmental law, statute, or regulation; (iv) that, other than as set forth in the environmental audits provided to Lender, the Mortgaged Property is not now nor has ever been subject to any judgment, decree, order or citation related to or arising out of any federal, state, or local environmental law, statute, or regulation; (v) as to all operations, including but not limited to the use or disposal of the poultry and livestock wastes, pesticides, herbicides, other agricultural chemicals and oil or petroleum hydrocarbons so used in agricultural operations on the Mortgaged Property, Borrower represents and warrants that while Lender has a mortgage interest in the Mortgaged Property, Borrower will be in material compliance with all present and future federal, state and local environmental statutes, regulations, and ordinances and have and will secure and hold all necessary licenses and permits. Borrower shall, if required by Lender, have an engineer satisfactory to Lender perform an environmental investigation of the Mortgaged Property including but not limited to soil and ground-water analysis if deemed necessary by the engineer, to determine the existence and levels of hazardous substances on the Mortgaged Property, and assess compliance with all applicable federal, state and local environmental laws, statutes and regulations. This Agreement is conditioned on the engineer issuing a report prior to closing certifying that his inspection disclosed no evidence that the Mortgaged Property contains above surface, surface or subsurface contamination by any hazardous waste, asbestos, oil or petroleum hydrocarbons, pesticides or toxic or hazardous substances as defined in any federal, state or local environmental law, statute or regulation and that the Borrower is otherwise in material compliance with the applicable laws, statutes and regulations referred to herein. Borrower hereby further represents and warrants to Lender that it has not caused or permitted and Borrower will not hereafter cause or permit (i) the use of the Mortgaged Property for any of (a) a sanitary land fill, (b) a dump, or (c) disposal of waste, oil or petroleum hydrocarbons, pesticides or toxic or hazardous substances as defined in any federal, state or local environmental law, statute or regulation of any kind, (ii) the deposit or location in, under or upon the Mortgaged Property or any adjacent parcels thereto of any such waste, oil, pesticides, substances or materials in violation of any applicable federal, state or local environmental law, statute or regulation; or (iii) the contamination by any such waste, oil or petroleum hydrocarbons, pesticides, substances or materials of any part of the Mortgaged Property or any adjacent parcels thereto, including the ground water located thereon. All toxic or hazardous substances or materials, or oil or petroleum hydrocarbons as defined in any federal, state or local environmental law, statute or regulation, which have been or may be used by any person for any purpose upon the Mortgaged Property have been and shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all laws, regulations and requirements for such storage promulgated by any governmental authority. The Mortgaged Property has not been and

will not hereafter be used for the purpose of storing such substances for any use other than normal business operations and no such storage or use has been or will hereafter otherwise be allowed on the Mortgaged Property or any adjacent parcels thereto in such a manner which has caused or will cause, or which has increased or will increase the likelihood of causing, the release of such substances onto the Mortgaged Property or any adjacent parcels thereto. Borrower agrees to provide the Lender immediately upon receipt or sending copies of any correspondence, notice, pleading, citation, complaint, order, decree or other document from any source (public entity or private actual or potential litigant) asserting or alleging a circumstance or condition in violation of any federal, state or local environmental law, statute or regulation or the common law of any state pertaining to the use or condition of real property. If Borrower fails to comply with any of the foregoing, or in the event of any breach of any warranty, misrepresentation or nonfulfillment of any agreement by Borrower herein, Lender may either (i) declare a default under this Mortgage, or (ii) cause the removal of any hazardous material from the Mortgaged Property, or both. The costs of hazardous material removal, any costs associated with environmental testing, audits, reviews, inspection, remediation and clean up, shall be added to the indebtedness secured hereby, whether or not such costs exceed the principal amount of the Note and whether or not a court has ordered the cleanup, and shall become due and payable, without notice, and with interest thereon at the Overdue Interest Rate provided in the Note and Loan Agreement. After the occurrence of an Event of Default, Borrower shall give Lender, its agents and employees access to the Mortgaged Property to remove any hazardous material. Lender, however, has no affirmative obligation to remove any hazardous material, and this Mortgage and any other documents securing the indebtedness secured hereby shall not be construed as creating such obligation. Borrower shall protect, defend, indemnify and hold Lender harmless from and against all loss, cost (including attorneys' fees), liability, damage, claim or obligation, whenever asserted or brought, known or unknown, (i) arising in connection with or resulting from any breach of warranty, misrepresentation or nonfulfillment of any agreement by Borrower herein, (ii) based upon or otherwise resulting from an alleged or claimed violation of any federal, state or local environmental law, regulation or ordinance, or common law of any state, including but not limited to any tort claims, that pertain or relate in any respect or manner to the Mortgaged Property, incurred by Lender by reason of any violation of any applicable statute or regulation (whether such liability is to a private party or any government unit, state or federal), or (iii) by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation, without regard to fault on the part of Borrower. Notwithstanding anything contained herein or in the Note, the Loan Agreement, the Other Mortgages, this Mortgage, the Assignments, the Assignment of Permits and Licenses or such other documents and instruments to the contrary, this indemnity shall survive the termination of Borrower's indebtedness to Lender and shall continue thereafter so long as Lender is subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative, by a federal, state or other governmental body or private party or parties,

regarding the health, industrial hygiene, occupational or the environmental conditions on, under or about the Mortgaged Property.

1.08 Further Assurances; After Acquired Property. At any time, and from time to time, upon request by Lender, Borrower will make, execute and deliver or cause to be made, executed and delivered, to Lender, and where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the reasonable opinion of Lender, be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve (a) the obligations of Borrower under the Note, this Mortgage, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses and such other documents and instruments, and (b) the lien and security interest of this Mortgage as a first and prior lien and security interest upon all of the Mortgaged Property, whether now owned or hereafter acquired by Borrower. Upon any failure by Borrower so to do, Lender may make, execute, record, file, re-record and/or refile any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower so to do. The lien and security interest hereof will automatically attach, without further act, to all after acquired property attached to and/or used or stored in connection with the operation of Borrower's business in, on and from the Mortgaged Property or any part thereof.

1.09 Leases and Other Agreements Affecting Mortgaged Property. Borrower will duly and punctually perform all material terms, covenants, conditions and agreements binding upon it or the Mortgaged Property under any lease or any other agreement or instrument of any nature whatsoever which involves or affects the Mortgaged Property or any part thereof or the operation of Borrower's business in, on and from the Mortgaged Property or any part thereof. Upon request by Lender, Borrower agrees to furnish Lender with executed copies of all leases and other agreements now existing or hereafter entered into with respect to all or any part of the Mortgaged Property or the operation of Borrower's business in, on and from the Mortgaged Property or any part thereof. Other than unrecorded leases of farmland for crop production or grazing purposes with unexpired terms not in excess of one year or from year to year, Borrower will not, without the express written consent of Lender, enter into any new lease or modify, surrender, terminate, extend or renew, either orally or in writing, any lease now existing or hereafter created upon the Mortgaged Property, or any part thereof. In addition, Borrower will not permit an assignment or sublease without the express written consent of Lender, which consent shall not be unreasonably withheld or delayed. If Lender so requests, Borrower shall cause the tenant under each or any of such leases to enter into subordination and attornment agreements with Lender which are satisfactory to Lender. Borrower will not accept payment of advance rents or security deposits, if any, equal, in the aggregate, to more than one (1) month's rent without the express written consent of Lender. In order to further secure payment of the indebtedness secured hereby and the observance, performance and discharge of Borrower's

obligations under the Loan Agreement, the Note, this Mortgage, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses and such other documents and instruments, Borrower hereby assigns, transfers and sets over to Lender all of Borrower's right, title and interest in, to and under all leases now or hereafter affecting the Mortgaged Property or any part thereof and in and to all of the rents, issues, profits, revenues, awards and other benefits now or hereafter arising from the Mortgaged Property or any part thereof or the operation of Borrower's business in, on and from the Mortgaged Property, or any part thereof. Unless and until an Event of Default occurs, Borrower shall be entitled to collect the rents, issues, profits, revenues, awards and other benefits of the Mortgaged Property (except as otherwise provided in this Mortgage) as and when they become due and payable. Lender shall be liable to account only for rents, issues, profits, revenues, awards and other benefits of the Mortgaged Property actually received by Lender pursuant to any provision of this Mortgage.

Borrower further covenants and agrees that any agreement for the management of the Mortgaged Property (i) shall provide that the obligation to pay any amount thereunder will not be enforceable against any party other than the party who entered into such agreement, (ii) shall provide that such agreement, together with any and all liens and claims for lien that any manager or other person or entity performing the duties of a manager thereunder has or may thereafter have thereunder or for managing the Mortgaged Property or any part thereof, shall be in all respects subordinate to the lien of this Mortgage, and (iii) shall not be enforceable against Lender. Borrower shall furnish Lender with evidence of the foregoing, which is in all respects satisfactory to Lender.

1.10 Expenses. Borrower will immediately, upon demand, pay or reimburse Lender for all attorneys' fees, support staff costs, litigation preparation and computerized research, telephone and telefax expenses, mileage, depositions, postage, photocopies, process service, videotapes and the like, and other costs and expenses incurred by Lender in any proceedings involving the estate of a decedent, an insolvent or a bankrupt, or in any action, proceeding or dispute of any kind in which Lender is made a party, or appears as an intervener or party plaintiff or defendant, affecting or relating to the Note, this Mortgage, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses and such other documents and instruments, Borrower, any of the beneficiaries of Borrower or the Mortgaged Property, including, but not limited to, the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, costs associated with environmental testing, audits, reviews, inspection, remediation and clean up, or any action to protect the security hereof. If Borrower fails to pay such amounts upon demand, any such amounts paid by Lender shall, at Lender's option, be added to the indebtedness secured hereby and secured by the lien and security interest of this Mortgage, and shall bear interest at the Overdue Interest Rate provided in the Note and Loan Agreement for interest payable after default.

1.11 Books, Records and Accounts. Borrower will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts in accordance with Section 5.1 of the Loan Agreement. Lender or its designee shall have the right to examine such books,

records and accounts at the offices of Borrower and to visit and inspect the Mortgaged Property in accordance with the terms of Section 5.2 of the Loan Agreement.

1.12 Estoppel Affidavits. Borrower, within ten (10) days after written request from Lender, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any offsets or defenses exist against such principal and interest.

1.13 Subrogation. Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.14 Use of Mortgaged Property. Borrower will not make, suffer or permit, without the prior written consent of Lender, any use of the Mortgaged Property for any purpose other than that for which the same is used or intended to be used as of the date of this Mortgage.

1.15 Use of Proceeds.

(a) Borrower represents and agrees that the (i) proceeds of the Note will not be used primarily for personal, family, or household purposes within the provisions of Iowa Code Chapter 537 or the Federal Consumer Credit Protection Act, as amended, 15 U.S.C. § 1601 et seq., and agrees that the indebtedness secured hereby is not a consumer loan as defined in such statutes and (ii) will not be used for the purchase of, or refinancing of indebtedness incurred for the purchase of, the Land or any real property whatsoever or any portion thereof.

(b) All agreements between Borrower and Lender (including, without limitation, this Mortgage, the Note, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses and such other documents and instruments securing the indebtedness secured hereby) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the highest lawful rate of interest permissible under the laws of the State of Iowa. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other documents securing the indebtedness secured hereby, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Iowa, and if for any reason whatsoever, Lender shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the indebtedness secured hereby (whether or not due and payable) and not to the payment of interest.

1.16 Prohibition of Transfer. Borrower will not, without the prior written consent of Lender, sell, assign or transfer, whether by operation of law or otherwise, all or any portion of its interest in the Mortgaged Property except as may be permitted under Sections 8.5.A and 8.7 of the Loan

Agreement. Any such sale, assignment or transfer made without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at making thereof shall, at the option of Lender, constitute an Event of Default under this Mortgage.

1.17 Prohibition of Further Encumbrance. Except for those matters described in Schedule B, Borrower will not create, incur, assume or suffer to exist any lien, mortgage, deed of trust, pledge or other encumbrance on any of the Mortgaged Property or any interest therein. Except as permitted by Section 1.07(b) of this Mortgage and Sections 8.5. and 8.7 of the Loan Agreement and for unrecorded leases of farm land for crop production or grazing purposes with terms not in excess of one year, Borrower will not sell, convey, lease, assign or otherwise transfer all or any of the Mortgaged Property or any interest therein. Any such sale, conveyance, lease, assignment or other transfer made without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at making thereof shall, at the option of Lender, constitute an Event of Default under this Mortgage.

1.18 Priority of Advances. NOTICE: This Mortgage secures credit in the amount of \$50,000,000. Loans and advances up to this amount, together with interest and all other amounts secured hereby, are senior to indebtedness to other creditors under subsequently recorded or filed mortgages and liens.

ARTICLE II.

2.01 Events of Default. The terms "Event of Default" or "Events of Default", whatever used in this Mortgage, shall mean any one or more of the following events:

(a) Any Default as defined in the Security Agreement or Event of Default as defined under the terms of the Loan Agreement and such other documents and instruments evidencing, securing or related to the indebtedness secured hereby, as may be amended from time to time; or

(b) Any sale, transfer or encumbrance of any of the Mortgaged Property, except as provided in Sections 1.03, 1.07 (b) or 1.16 or 1.17 hereof, or Section 8.5 or 8.7 of the Loan Agreement, or the making of any levy, seizure or attachment thereof or thereon.

2.02 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then the entire indebtedness secured hereby and, to the fullest extent permitted by applicable law, any premium with respect to prepayment as provided in Section 6 or Section 10 of the Loan Agreement, shall, at the option of Lender, immediately become due and payable without notice or demand (notice and demand being hereby waived).

2.03 Lender's Right to Enter and Take Possession, Operate and Apply Revenues.

(a) If an Event of Default shall have occurred and be continuing, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession, and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower.

(b) If Borrower shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the delivery of immediate possession of all or part of such Mortgaged Property to Lender, to the entry of which judgment or decree Borrower specifically consents.

(c) Borrower will pay to Lender, upon demand, all expenses (including, without limitation, fees and expenses of attorneys, accountants and agents) of obtaining such judgment or decree or of otherwise seeking to enforce its rights under the Note, this Mortgage, the Security Agreement, the Assignments, the Assignment of Permits and Licenses, the Loan Agreement, the Other Mortgages or such other documents and instruments; and all such expenses shall, until paid, be secured by this Mortgage and shall bear interest at the Overdue Interest Rate provided in the Note and Loan Agreement.

(d) Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and for this purpose purchase or otherwise acquire additional fixtures, personalty and other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and the business theretofore operated by Borrower in, on and from the Mortgaged Property and exercise all the rights and powers of Borrower to the same extent as Borrower could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Lender, all as Lender from time to time may determine to be to its best advantage. Lender may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing and operating the Mortgaged Property and the business theretofore operated by Borrower in, on and from the Mortgaged Property (including compensation for the services of all persons employed for such purposes, (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions for the Mortgaged Property, (cc) the cost of such insurance, (dd) such taxes, assessments and other similar charges as Lender may determine to pay, (ee) other proper charges upon the Mortgaged Property or any part thereof, and (ff) the compensation, expenses and disbursements of

the attorneys and agents of the Lender, shall apply the remainder of the monies and proceeds so received by Lender, first to payment of any premiums due pursuant to the Loan Agreement, second to payment of accrued interest, third to the payment of deposits required in 1.03, and fourth to the payment of principal.

(e) Lender shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

2.04 Performance by Lender of Defaults. If default shall occur in the payment, performance or observance of any term, representation, warranty, covenant or condition of this Mortgage (whether or not the same shall constitute an Event of Default), Lender may (but shall not be obligated to), at its option, pay, perform or observe the same or take any action necessary to cause any representation or warranty to be true, and all payments made or costs or expenses incurred by Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon at the Overdue Interest Rate provided in the Note and Loan Agreement. Lender shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. No payment, performance, or observance by Lender shall be deemed a waiver of, or, in any way, relieve Borrower from, any default or Event of Default hereunder.

2.05 Receiver. If an Event of Default shall have occurred and be continuing, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the indebtedness or the insolvency of any party bound for its payment to the appointment of a receiver or the appointment of Lender as mortgagee in possession, to which appointment the Borrower hereby consents, to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver or Lender as mortgagee in possession shall have all of the rights and powers to the fullest extent permitted by law. Borrower will pay to Lender upon demand (with interest thereon at the Overdue Interest Rate provided in the Note and Loan Agreement) all expenses, including receiver's fees, attorneys' fees, support staff costs, litigation preparation and computerized research, telephone and telefax expenses, mileage, depositions, postage, photocopies, process service, videotapes and the like, costs and agent's compensation, incurred pursuant to the provisions of this paragraph; and all such expenses shall be secured by this Mortgage and shall bear interest at the Overdue Interest Rate provided in the Note and Loan Agreement. In the event a receiver is appointed, the Borrower shall immediately turn over to said receiver all bank accounts, books, records, contracts of sale with deposits thereunder, leases, agreements, tenant's security deposits, and all other materials relating to the operation of the Mortgaged Property or the construction of any improvements thereon.

2.06 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Note or the performance of any term, covenant, condition or agreement of this Mortgage, the Loan Agreement, the Other Mortgages, the Assignments, the Assignment of Permits and Licenses, the Security Agreement or such other documents and instruments, or any other rights, (b) to foreclose this Mortgage and to sell the Mortgaged Property as an entirety or otherwise, as Lender may determine, and (c) to pursue any other remedy available to it, all as Lender shall deem most effectual for such purposes. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Lender may determine. Lender may elect to pursue any one or more of the foregoing.

2.07 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.08 Fees and Expenses; Application of Proceeds of Sale. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby in the decree for sale all costs and expenses which may be paid or incurred by or on behalf of Lender or holders of the Note for attorneys' fees, support staff costs, litigation preparation and computerized research, telephone and telefax expenses, mileage, depositions, postage, photocopies, process service, videotapes and the like, appraiser's fees, receiver's costs and expenses, insurance, taxes, outlays for documentary and expert evidence, costs for preservation of the Mortgaged Property, costs associated with environmental testing, audits, reviews, inspection, remediation and clean up, stenographer's charges, publication cost and costs of procuring all abstracts of title, title searches and examinations, guarantee policies, Certificates of Title issued by the Registrar of Titles (Torrens certificates), and similar data and assurances with respect to title as Lender or holders of the Note may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Mortgaged Property or for any other reasonable purpose. The amount of any such costs or expenses which may be paid or incurred after the decree for sale is entered may be estimated and the amount of such estimate may be allowed and included as additional indebtedness secured hereby in the decree for sale. In the event of a foreclosure sale of the Mortgaged Property, the proceeds of said sale shall be applied, first, to the expenses of such sale and of all proceedings in connection therewith, including attorneys' fees and support staff costs, then to insurance premiums, liens, assessments, taxes and charges, including utility charges, then to payment of the outstanding principal balance of and premiums applicable to the indebtedness secured hereby, then to the accrued interest on all of the foregoing, and finally the remainder, if any, shall be paid to Borrower.

2.09 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Borrower agrees to the full extent permitted by law, that if an Event of Default occurs hereunder, neither Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take

advantage of any appraisement, valuation, stay, extension or homestead laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Borrower, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do, the benefit of all such laws (including, without limitation, all rights under and by virtue of the homestead exemption laws of the State of Iowa) and any and all rights to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof.

2.10 Redemption. It is agreed that if this Mortgage covers less than ten (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 term of one year for redemption from said sale, provided by the statutes of the State of Iowa, shall be reduced to six (6) months, provided Lender, in such action, files an election to waive any deficiency judgment against Borrower, which may arise out of the foreclosure proceedings; all to be consistent with the provisions of Chapter 628 of the Code of Iowa. Nothing herein contained, however, shall be construed to limit or otherwise affect any other redemption provision contained in the Code of Iowa or the right to elect to foreclose this Mortgage without redemption if permitted by Iowa law.

2.11 Leases. Lender, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.12 Discontinuance of Proceedings and Restoration of the Parties. In case Lender shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been taken.

2.13 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.14 Waiver. No delay or omission of Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or

implied, by Lender to or of any breach or default by Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lender to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Borrower.

If Lender (a) grants forbearance or any extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note, the Loan Agreement or in any other document or instrument securing the Note; (d) releases with or without consideration any of the Mortgaged Property from the lien of this Mortgage or any other security for the payment of the indebtedness secured hereby; (e) changes any of the terms, covenants, conditions or agreements of the Note, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses, this Mortgage, or in any other document or instrument securing the Note; (f) consents to the filing of any map, plat or replat or condominium declaration affecting the Mortgaged Property; (g) consents to the granting of any easement or other right affecting the Mortgaged Property; or (h) makes or consents to any agreement subordinating the lien hereof; any such act or omission shall not release, discharge, modify, change or affect (except to the extent of the changes referred to in clause (e) above) the original liability under the Note, this Mortgage or any other obligation of Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, cosigner, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage or the priority thereof be altered thereby, whether or not there are junior lienors and whether or not they consent to any of the foregoing. In the event of the sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings. The foregoing shall not limit the prohibition against such sale or transfer as set forth in Paragraph 1.16 hereof.

Without limitation of the foregoing, the right is hereby reserved by Lender to make partial release or releases of the Mortgaged Property, or of any other security held by Lender with respect to all or any part of the indebtedness secured hereby, without notice to, or the consent, approval or agreement of, other parties in interest, including junior lienors, which partial releases or releases shall not impair in any manner the validity or priority of this Mortgage on the portion of said property not so released.

ARTICLE III.

3.01 Suits to Protect the Mortgaged Property. Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage; (b) to preserve or protect its interest in the Mortgaged Property and in the rents, issues, profits and revenues arising therefrom; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, regulation, rule, order or other requirement directly affecting the Mortgaged Property that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such enactment, regulation, rule, order or other requirement would impair the security hereunder or be prejudicial to the interest of Lender, and all costs and expenses incurred by Lender in connection therewith (including, without limitation, attorneys' fees) shall be paid by Borrower to Lender on demand (with interest at the Overdue Interest Rate provided in the Note and Loan Agreement) and shall be additional indebtedness secured hereby.

3.02 The Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount due and payable by Borrower under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

3.03 Successors and Assigns. This Mortgage shall inure to the benefit of and be binding upon Borrower and Lender and their respective heirs, executors, legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Borrower or to Lender, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of Borrower or Lender.

3.04 Notices. All notices, demands and requests given or required to be given under this Mortgage, the Note, the Loan Agreement, the Other Mortgages, the Security Agreement, the Assignments, the Assignment of Permits and Licenses, or such other documents and instruments evidencing, securing or related to the indebtedness secured thereby, by either party hereto to the other party that are required by the terms hereof or thereof to be "written" or "in writing", shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, return receipt requested, or by overnight courier service, to the appropriate address stated below:

If to Borrower: Rose Acre Farms, Inc.
6874 North Base Road (if given in person or sent by overnight courier) or
P.O. Box 1250 (if given by registered or certified mail)
Seymour, Indiana 47274
Attention: President

If to Lender: Metropolitan Life Insurance Company
Agricultural Investments
8717 West 110th Street, Suite 700
Overland Park, Kansas 66210
Attention: Vice-President

with a copy to:

Metropolitan Life Insurance Company
Agricultural Investments
4427 Garwood Place
Richmond, Indiana 47374
Attention: Regional Manager

or to such other address as such party may from time to time designate by written notice to the other given as herein required. All such notices, demands and requests shall be deemed sufficiently served or given for all purposes hereunder when actually delivered to the appropriate address.

3.05 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Mortgage unless specific reference is made to such Articles, Sections or Paragraphs of another document or instrument.

3.06 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the State of Iowa.

3.08 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Iowa from time to time with respect to any part of the Mortgaged Property which constitutes fixtures or personal property, including, but not limited to, goods, equipment, contract rights, and the proceeds therefrom. Lender shall have all the rights with respect to such fixtures and personal property afforded to it by said Uniform Commercial Code as in effect from time to time in addition to, but not in limitation of, the other rights afforded Lender by this Mortgage or any other agreement. The Borrower authorizes and appoints Lender its attorney-in-fact, at the expense of the Borrower, to execute and file a financing statement or

statements on its behalf in those public offices deemed advisable or necessary by Lender to protect and/or perfect the security interests of Lender granted herein.

The Borrower shall have possession of the Mortgaged Property, except where expressly otherwise provided in this Mortgage. The Borrower shall cooperate with the Lender in obtaining control with respect to any Mortgaged Property consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper. The Borrower shall not create any chattel paper that would be Mortgaged Property without placing a legend on the chattel paper in a form acceptable to the lender indicating that the Lender has a security interest therein.

3.09 Modification. No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.10 No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien thereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Lender now own or hereafter acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.11 Delivery of Summons, Etc. If any action or proceeding shall be instituted to evict Borrower or recover possession of the Mortgaged Property or any part thereof or otherwise affecting the Mortgaged Property or this Mortgage, Borrower will immediately, upon service thereof on or by Borrower, deliver to Lender a true copy of each precipe, petition, summons, complaint, notice of action, order to show cause and all other process, pleadings and papers, however designated, served in any such action or proceeding.

3.12 Joint and Several. If Borrower consists of more than one person or entity, the liability of each hereunder shall be joint and several.

3.13 Truth-In-Lending. Borrower represents and agrees that the obligation secured hereby is an exempt transaction under the Truth-In-Lending Act, 15 U.S.C., Section 1601 et seq.

ARTICLE IV.

4.01 Licenses and Authorizations. Borrower shall obtain all licenses, permits and authorizations which may be necessary or appropriate for the use and operation of the buildings, structures and improvements now or hereafter situated on the Land and constituting a part of the Mortgaged Property, including without limitation, appropriate licenses, permits and approvals for the operation of egg production and processing and feedmill facilities. Such licenses, permits and authorizations shall be maintained at all times during the term of this Mortgage, and, to the extent permitted by law, at the request of Lender shall be assigned to Lender. Borrower shall

purchase all bonds and contribute to all funds as required by law for the operation of its business, including, but not limited to, any indemnity funds or surety bonds required by law, and by any environmental protection funds, state and federal.

IN WITNESS WHEREOF, Rose Acre Farms, Inc., an Indiana corporation, as Borrower herein, has caused these presents to be duly signed and sealed the day and year first above written.

ROSE ACRE FARMS, INC.

By: Lois M. Rust
Lois M. Rust
President

By: Ruth Ann Hendrix
Ruth Ann Hendrix
Secretary and Treasurer

I UNDERSTAND THAT THE 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.

ROSE ACRE FARMS, INC.

By: Lois M. Rust
Lois M. Rust
President

By: Ruth Ann Hendrix
Ruth Ann Hendrix
Secretary and Treasurer

STATE OF Indiana)
) SS:
COUNTY OF Jackson)

Before me, a Notary Public in and for said County and State, personally appeared Lois M. Rust, by me known and by me known to be the President of Rose Acre Farms, Inc., an Indiana corporation, who acknowledged the execution of said instrument on behalf of said corporation.

WITNESS my hand and Notarial Seal this 19 day of June, 2005.



Kimberly S. Allman
Notary Public

Kimberly S. Allman
(Printed Signature)

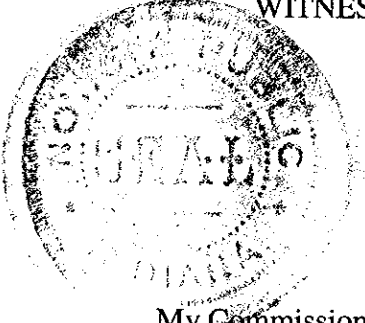
My Commission Expires:
06/01/2013

My County of Residence:
JACKSON

STATE OF Indiana)
) SS:
COUNTY OF Jackson)

Before me, a Notary Public in and for said County and State, personally appeared Ruth Ann Hendrix, by me known and by me known to be the Secretary and Treasurer of Rose Acre Farms, Inc., an Indiana corporation, who acknowledged the execution of said instrument on behalf of said corporation.

WITNESS my hand and Notarial Seal this 14 day of June, 2005.



Kimberly S. Allman
Notary Public

Kimberly S. Allman
(Printed Signature)

My Commission Expires:

06/01/2013

My County of Residence:

JACKSON

SCHEDULE "A"
(Legal Description - Land)

EXHIBIT A

The East half (E1/2) and the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section Thirty-four (34), in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, EXCEPT a parcel of land in the Northeast Quarter of the Southeast Quarter of Section 34, Township 76 North, Range 28 West of the 5th Principal Meridian, Madison County, Iowa, more particularly described as follows: Commencing at the Southeast corner of Section 34, Township 76 North, Range 28 of the 5th P.M., Madison County, Iowa, thence North 00 degrees 00 minutes 00 seconds, 1,918.38 feet along the east line of said Section 34 to the point of beginning. Thence North 90 degrees 00 minutes 00 seconds West 183.00 feet; thence North 00 degrees 00 minutes 00 seconds 100.00 feet; thence South 90 degrees 00 minutes 00 seconds East 183.0 feet to the East line of said Section 34; thence South 00 degrees 00 minutes 00 seconds 100.00 feet to the point of beginning.

(Additional Collateral)
SCHEDULE "A-1"

Baffles
LP Gas Heaters
Composters
Gas Vaporizers
Propane Tanks
Cages
Water Conditioners
Fans
Feed Bins
Curtain Vents
Heaters
Generators
Propane Vaporizers
Water Softeners
Air Compressors
Pumps
Fences
Feed Mills
Fat Meters
Fat Tanks
Grain Dryers
Legs
Mixers
Lagoon Liners
Irrigations
Chargers
Conveyors
Pallet Jacks
Carts
Trash Balers
Scrubbers
Printers
Shrink Wraps
Water Purifiers
Crack Detectors
Washers
Egg Belts
Egg Drying Systems
Insulations
Trusses

Aerators
Water Systems
Scales
Feeders
Walkways
Fuel Tanks
Step Rails
Counters
Motors
Nipple Waters
Doors
Welders
Switchboards
Homogenizers
Sackers
Racks
Tables
Boxers
Purgers
Pipe Fittings
Egg Breaking Machines
Silos
Chillers
Pumps
Valves
Filters
Jacks
Centrifuges
Augers
Water Treatment Plants
Air Dryers
Solids Analyzers
Labs
Refrigeration Units
Blenders
Inverters
Freezers
Forklifts
Security Systems

Cabinets
Desks
Telephone Systems
Flagpoles
Grain Probes
Furnaces
Cart Trackers
Steam Cleaners
Evaporating Coolers
Feed Troughs
Exhaust Fans
Ladders
Manure Belts
Feed Carts

SCHEDULE "B"
(Permitted Encumbrances)

Various unrecorded leases of farmland for crop production or grazing purposes with unexpired terms not in excess of one year or from year to year, which leases do not afford tenants any options to purchase or rights of first refusal or afford any tenant thereunder any other right, title or interest in or lien upon said property or the improvements thereto, other than rights to tenancy, that may restrict landlord's ability to use, encumber or dispose of the property.