

**FIRST AMENDMENT TO
MORTGAGE AND SECURITY AGREEMENT**

This First Amendment to Mortgage and Security Agreement (the "First Amendment") is made as of the 15th day of January, 1991, to amend the Mortgage and Security Agreement made the 30th day of June, 1988, by and between ROSE ACRE FARMS, INC., an Indiana corporation (the "Mortgagor") and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "Rabobank Nederland", New York Branch (the "Mortgagee").

WHEREAS, the Mortgagor and the Mortgagee entered into a Mortgage and Security Agreement dated the 30th day of June, 1988, which covered the real estate described on Exhibit "A" attached hereto and which was recorded on June 30, 1988, in the office of the County Recorder of Madison County, Iowa, in Book of Mortgages 150 at Page 534 and on June 30, 1988, in the office of the County Recorder of Guthrie County, Iowa, in Book 402 of Mortgages at Page 1913 (the "Mortgage and Security Agreement");

WHEREAS, the Mortgagor has caused the Mortgagee to issue a Letter of Credit in the amount of \$3,808,730.00 dated as of January 15, 1991 (the "January Letter of Credit");

WHEREAS, the Mortgagor will cause the Mortgagee to issue a Letter of Credit in the amount of \$6,430,000.00 to be dated as of February 15, 1991 (the "February Letter of Credit");

WHEREAS, as a means of inducing the Mortgagee to issue the January Letter of Credit, the Mortgagor has agreed to reimburse the Mortgagee for any payments made by the Mortgagee under the January Letter of Credit pursuant to a Reimbursement Agreement, dated as of January 15, 1991, between the Mortgagor and the Mortgagee (the "January Reimbursement Agreement");

WHEREAS, as a means of inducing the Mortgagee to issue the February Letter of Credit, the Mortgagor has agreed to

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$15,238,730. LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

NOTHING HEREIN SHALL CONSTITUTE A COMMITMENT TO MAKE ADDITIONAL OR FUTURE LOANS OR ADVANCES IN ANY AMOUNT.

COMPARED

FILED NO. **1599**

BOOK 158 PAGE 217

91 FEB 12 AM 11:00

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Fee \$115.00

reimburse the Mortgagee for any payments made by the Mortgagee under the February Letter of Credit pursuant to a Reimbursement Agreement dated as of February 15, 1991, between the Mortgagor and the Mortgagee (the "February Reimbursement Agreement"); and

WHEREAS, as a further means of inducing the Mortgagee to issue the January Letter of Credit and the February Letter of Credit, the Mortgagor hereby agrees to execute and deliver this First Amendment in order that the Mortgage and Security Agreement, as amended by this First Amendment, also secures Mortgagor's indebtedness, liabilities and obligations to Mortgagee under the January Reimbursement Agreement and the February Reimbursement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Mortgagor and the Mortgagee hereby amend the Mortgage and Security Agreement as follows:

A. That portion of the Mortgage and Security Agreement captioned "THE GRANT" is hereby amended, and restated in its entirety as follows:

THE GRANT

In consideration of the sum of Five Million Dollars (\$5,000,000.00), receipt whereof is hereby acknowledged and in consideration of the issuance of the January Letter of Credit and in consideration of the issuance of the February Letter of Credit (if, when and whether or not issued), the Mortgagor does by these presents grant, bargain, sell, convey, mortgage and warrant unto the Mortgagee, its successors and assigns, the following described real estate situated in the Counties of Madison and Guthrie, State of Iowa, (the "Land"), to-wit:

See Exhibit "A" attached hereto by this reference made a part hereof

and all buildings, structures and improvements now existing and to be constructed thereon (the "Buildings");

TOGETHER with all and singular the easements, rights of way, licenses, privileges, and appurtenances thereunto belonging, and also all the estate, right, title and interest of Mortgagor either at law or in equity, of, in and to the Land and Buildings, and every part thereof, or in anywise appertaining thereto, including without limitation the entire interest of the Mortgagor in, to, over and under any streets, alleys, or land adjoining the Land and Buildings, and all claims of the Mortgagor either in law or in equity, in

possession or expectancy, of, in and to the Land and Buildings, and all estates, rights and interests hereinafter acquired by Mortgagor in the Land and Buildings, and all right, title and interest of Mortgagor in and to any strips and gores adjoining the Land and Buildings;

TOGETHER with all fixtures and equipment of every kind and nature whatsoever, now or hereafter located in or upon or affixed to said Land and Buildings, or any part thereof, and used or usable in connection with any present or future operation of said Land and Buildings, and now owned or hereafter acquired by Mortgagor, including, but without limitation of the generality of the foregoing, all heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, lifting, fire extinguishing, plumbing, cleaning, communications, and power equipment and apparatus; all gas, water and electrical equipment, and all elevators, escalators, conveyors, feeders, waterers, incubators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, conduits, compressors, furnaces, boilers, ranges, ovens, sinks, water closets, pipes, faucets, mirrors, refrigerators, dishwashers, office equipment, cooking apparatus and appliances, built-in furniture and installations, communications equipment, sprinklers and alarm systems; and all renewals or replacements thereof, all additions thereto or articles in substitution thereof, and all of the estates, right, title and interest of the Mortgagor in and to all equipment and fixtures of any nature whatsoever now or hereafter situated on the Land and Buildings, or intended to be used in connection with the operation thereof; it being understood and agreed that all such fixtures and equipment are declared to be a portion of the security for the indebtedness hereby secured (whether in single units or centrally controlled, and whether physically attached to said real estate or not);

TOGETHER with all right, title, and interest of the Mortgagor in and to all leases and subleases with respect to the Land and Buildings, and the rents, issues, and profits arising therefrom, and all cash or securities deposited to secure performance by the lessees or sublessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or subleases or are to be applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms; and all leasehold estates held or hereafter acquired by Mortgagor in connection with its operation of the Land and Buildings;

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IT BEING the intention of the parties that, to the full extent of the law, all property of the character hereinabove described, both real and personal, and all estates and interest in such property, which are now owned or hereafter acquired by the Mortgagor and are a part of, used on or in connection with the use or enjoyment of, affixed or annexed to the Land and Buildings, shall be and remain or become and constitute a portion of the security covered by and subject to the first and paramount lien of this Mortgage, together with all rents, income, revenues, insurance proceeds and profits thereof and the present and continuing right to make claim for, elect, receive and receipt for any and all such rents, income, revenue, insurance proceeds, issues and profits arising therefrom or in connection therewith; and together with such further and different estate or estates acquired by the Mortgagor in any of the said property at any time hereafter; and together with any and all right, title and interest of Mortgagor in and to all awards, damages and moneys received in connection with any taking of all or any portion of the property subject to the lien hereof under the exercise of eminent domain, or any money or settlement received by the Mortgagor in connection with any conveyance in lieu of such taking, and any and all moneys and other properties, real and personal, which may from time to time be subjected to the lien hereof though a supplement of this Mortgage or otherwise, it being the intention of the Mortgagor that all property hereafter acquired by the Mortgagor and required to be subject to the lien of this Mortgage or intended so to be shall forthwith by the acquisition thereof by the Mortgagor be as fully now owned by the Mortgagor and were specifically described in this Mortgage and conveyed and mortgaged hereby or pursuant hereto, (all of the above-mentioned property set forth in the foregoing paragraphs is collectively referred to herein as the "Mortgaged Collateral");

TO HAVE AND TO HOLD the Mortgaged Collateral with the privileges and appurtenances thereunto belonging, and all rents, issues and profits therefrom, unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor covenants that at and until the execution and delivery of this Mortgage, Mortgagor is well seized of the Land and Buildings in fee simple and Mortgagor's interest in the fixtures and equipment that are a part of the Mortgaged Collateral is free and clear of all liens, encumbrances and security interests, subject, however, only to the Permitted Encumbrances noted on Exhibits "B-1" and "B-2" attached hereto (the "Permitted Encumbrances"), and has good, right and full power to

grant, bargain, sell, convey, grant a security interest in, mortgage and warrant the entire Mortgaged Collateral in the same manner and form written; and that the same are free from all liens, encumbrances and security interests, whatsoever, excepting only the Permitted Encumbrances, and that the Mortgagor does warrant and will defend the said Mortgaged Collateral, with the privileges and appurtenances thereunto belonging to the Mortgagee, its successors and assigns, forever, against all lawful claims and demands whatsoever.

PROVIDED ALWAYS, and these presents are upon the following express conditions, that if the:

(a) Mortgagor, its successors and assigns, shall pay or cause to be paid to the Mortgagee, or order, the full principal sum of \$5,000,000.00, with interest thereon according to the terms and conditions of one certain Promissory Note, dated June 30, 1988 (the "Note"), and Term Loan Agreement, dated June 30, 1988 (the "Credit Agreement"), the terms of which are incorporated herein by reference, made by the Mortgagor with the Mortgagee and delivered, providing for payment of said principal sum in lawful money of the United States of America, with interest thereon at the rate set forth therein, and shall pay or cause to be paid all other sums due the Mortgagee as provided in the Note and Credit Agreement; and

(b) Mortgagor, its successors and assigns, shall pay or cause to be paid to the Mortgagee, or order, the aggregate principal amount of \$3,808,730.00 including (i) the repayment of all indebtedness of the Mortgagor arising under the January Reimbursement Agreement on account of any draft drawn under the January Letter of Credit, and which indebtedness is due and payable on the day a draft under the January Letter of Credit is honored, and all renewals, extensions and modifications thereof and any agreement or note issued in evidence thereof or in substitution therefore; (ii) the payment of the annual commission for causing the issuance of the January Letter of Credit designated in the January Reimbursement Agreement; (iii) the payment of all other sums as may be advanced by the Mortgagee in accordance with the January Reimbursement Agreement; (iv) interest on all amounts described above at an annual rate which shall at all times be equal to the rate of interest announced by the Mortgagee from time to time as its base rate plus

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1 1/2%; and (v) the payment and performance of all other indebtedness, liabilities or obligations of the Mortgagor to the Mortgagee arising as a result of the covenants and agreements of the Mortgagor contained in the January Reimbursement Agreement or this Mortgage; and

(c) Mortgagor, its successors and assigns, shall pay or cause to be paid to the Mortgagee, or order, the aggregate principal amount of \$6,430,000.00 including (i) the repayment of all indebtedness of the Mortgagor arising under the February Reimbursement Agreement on account of any draft drawn under the February Letter of Credit, and which indebtedness is due and payable on the day a draft under the February Letter of Credit is honored, and all renewals, extensions and modifications thereof and any agreement or note issued in evidence thereof or in substitution therefore; (ii) the payment of the annual commission for causing the issuance of the February Letter of Credit designated in the February Reimbursement Agreement; (iii) the payment of all other sums as may be advanced by the Mortgagee in accordance with the February Reimbursement Agreement; (iv) interest on all amounts described above at an annual rate which shall at all times be equal to the rate of interest announced by the Mortgagee from time to time as its base rate plus 1 1/2%; and (v) the payment and performance of all other indebtedness, liabilities or obligations of the Mortgagor to the Mortgagee arising as a result of the covenants and agreements of the Mortgagor contained in the February Reimbursement Agreement or this Mortgage; and

(d) Mortgagor, its successors and assigns, shall pay or cause to be paid to the Mortgagee, or order, any and all sums, together with interest accruing thereon as herein provided, that may hereafter be advanced by or on behalf of the Mortgagee under the terms of this Mortgage as a result of the failure of the Mortgagor to perform its obligations under this Mortgage,

then this Mortgage and the estate hereby granted shall cease, determine and be void, and said Mortgage shall thereupon be released by the Mortgagee at the cost and expense of the Mortgagor.

The Credit Agreement and the January Reimbursement Agreement and the February Reimbursement Agreement are

hereinafter individually and collectively referred to as the "Credit Agreement".

B. Section 20 of the Mortgage and Security Agreement is amended and restated in its entirety as follows:

20. Environmental Matters.

(a) Certain Defined Terms. As used in this section and unless otherwise expressly indicated, the following terms shall have the following meanings (such meanings to be equally applicable in both the singular and plural forms):

"Applicable Environmental Law" means the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Superfund Amendment and Reauthorization Act ("SARA"), the Toxic Substances Control Act, the Occupational Safety and Health Act ("OSHA"), and any other federal, state or local statute, rule or regulation in effect in any jurisdiction in which the Mortgagor is or hereafter may be doing business or where the Mortgaged Collateral or any other real or personal property owned, occupied, operated or used by the Mortgagor is or hereafter may be located, pertaining to health, the environment (as defined in CERCLA), or any Contaminant, assuming disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, as now or hereafter may be enacted or amended, and all licenses, orders, permits, certificates or the like promulgated under any of the foregoing.

"Contaminant" means any pollutant, hazardous or toxic substance or waste, or contaminated material, including petroleum and petroleum products, asbestos and asbestos-containing products, ureaformaldehyde and all other materials and substances designated or regulated as a hazardous or toxic substance or waste, pollutant or contaminant under any Applicable Environmental Law.

"Enforcement Action" means any pending or threatened action, proceeding, investigation or order instituted by the United States

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Environmental Protection Agency, any other federal, state or local governmental authority, or any other individual or entity, related to any suspected or actual Environmental Activity, Contaminant, or noncompliance with any Applicable Environmental Law on, at, through or under any of the Mortgaged Collateral or any other real or personal property owned, occupied, constructed, operated or used by the Mortgagor or any business conducted thereon or therewith.

"Environmental Activity" means any past, present or future, storage, holding, existence, release, threatened release, production, emission, discharge, spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, generation, processing, treatment, abatement, handling or transportation of any Contaminant on, at, through or under the Mortgaged Collateral or any other property owned, occupied, constructed, operated or used by the Mortgagor not in compliance with any Applicable Environmental Law.

"Release Date" shall mean the date on which (a) all of the indebtedness, liabilities and obligations secured by this Mortgage have been paid and performed in full and this Mortgage has been released, and (b) if the Mortgagee becomes the owner of the Mortgaged Collateral by way of foreclosure of the lien hereof, deed in lieu of such foreclosure or otherwise, the Mortgaged Collateral has been sold by it.

"Site Assessment Report" means any site environmental assessment report pertaining to the Mortgaged Collateral, procured by or presented to the Mortgagee in conjunction with this Mortgage, the January Reimbursement Agreement or the February Reimbursement Agreement.

(b) Environmental Representations and Warranties.
The Mortgagor hereby represents and warrants to the Mortgagee that, except as expressly described in the Site Assessment Report:

(i) The Mortgaged Collateral is free of any Contaminants and neither the Mortgagor nor any other person (including, but not limited to, prior owners, occupiers, operators or users of the Mortgaged Collateral) has ever caused or permitted any Contaminant to be manufactured, placed, generated, stored, held, transferred, processed, produced, transported or disposed on, at, through or under the Mortgaged Collateral.

(ii) The Mortgaged Collateral and any and all other real or personal property owned, occupied, operated, or used by the Mortgagor, is in full and complete compliance with all Applicable Environmental Laws.

(iii) Neither the Mortgagor nor any other person (including, but not limited to, prior owners, occupiers, operators or users of any of the Mortgaged Collateral) has ever caused or permitted (through any action or inaction, intentional or unintentional) any Environmental Activity or other noncompliance of the Mortgaged Collateral with any Applicable Environmental Law.

(iv) The Mortgagor and all other owners, occupiers, operators or users of any of the Mortgaged Collateral are owning, occupying, operating and using the Mortgaged Collateral only in full compliance with all Applicable Environmental Laws.

(v) No lien has or is currently attached to any revenues or any real or personal property owned by the Mortgagor including, but not limited to, the Mortgaged Collateral, and the Mortgagor has no other absolute, contingent or threatened liability as a result of any governmental authority or any other individual or entity expending monies as a result of any actual or alleged Environmental Activity, existence of a Contaminant or violation of an Applicable Environmental Law on, through or under any of the Mortgaged Collateral or any other real or personal property owned, occupied, operated, or used by the Mortgagor or any violation of any Applicable Environmental Law.

(vi) The Mortgagor has caused no condition to exist (through its action or inaction, intentional or unintentional) and to the best of the Mortgagor's knowledge, after reasonable inquiry, no condition does exist, as to any parcel of property contiguous with any of the Mortgaged Collateral or located within five hundred (500) yards of the perimeter of the Mortgaged Collateral, which would require disclosure under this paragraph if such property were the Mortgaged Collateral.

(vii) Neither the Mortgagor nor any other person (including, but not limited to, prior owners, occupiers, operators or users of any of the Mortgaged Collateral) has received any notice or advice of any Enforcement Action.

(c) Environmental Activity. The Mortgagor shall not, from the date hereof to the Release Date, cause or permit (by its action or inaction, intentional or unintentional) the occurrence or continuance of any Environmental Activity or any other noncompliance with any Applicable Environmental Law.

(d) Use of Contaminants. The Mortgagor will not use, generate, transport, treat, handle, store or dispose of any Contaminants upon or with any of the Mortgaged Collateral except those Contaminants used, generated, transported, treated, managed, handled, stored or disposed of in the ordinary course of the Mortgagor's business presently conducted on or with the Mortgaged Collateral. The Mortgagor will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental regulatory approvals required for the conduct of the Mortgagor's business including, without limitation, discharge of properly treated materials or wastes in sanitary sewers serving the Mortgaged Collateral. The Mortgagor will exercise prudent skill and care (which standard of care shall be defined by reference to the then current technology and best practices then in use in the industry in which the Mortgagor conducts its business) in the handling, use, generation, treatment, transport, disposal or management of any Contaminants and no Contaminants will be permitted to be accumulated on the Mortgaged Collateral in amounts in excess of those required in the ordinary course of the Mortgagor's business as described above. All amounts of such materials which may be accumulated will be handled, used, disposed, managed, transported, treated

and stored in compliance with all Applicable Environmental Laws.

(e) Additional Environmental Covenants. The Mortgagor shall, from the date hereof to the Release Date, unless the Mortgagee shall otherwise consent in writing:

(i) Comply fully with all Applicable Environmental Laws with respect to the Mortgaged Collateral and any and all other real or personal property owned, occupied, operated or used by the Mortgagor.

(ii) Obtain and maintain in full force and effect, any permit, license, or similar authorization required by any Applicable Environmental Law to own, construct, occupy, operate or use the Mortgaged Collateral or any other real or personal property owned, occupied, operated or used by the Mortgagor or for the conduct of any business conducted thereon or therewith by the Mortgagor or any other person.

(iii) Take any and all actions necessary to prevent any actual or threatened Environmental Activity or any other violation of any Applicable Environmental Law; and in the event that such Environmental Activity or other violation of Applicable Environmental Law is threatened or does occur, take any and all steps necessary to prevent the occurrence or continuation thereof, and to correct or remediate any effect thereof in accordance with the provisions of any Applicable Environmental Law.

(iv) If the Mortgagor shall receive notice or obtain any other knowledge of any Enforcement Action; receive notice or obtain any other knowledge that any Environmental Activity or any other violation of Applicable Environmental Law has or may have occurred or is about to occur; receive notice from any governmental authority or private party alleging that the Mortgagor may be liable or responsible for costs associated with response to or cleanup of any Environmental Activity or any other violation of any Applicable Environmental Law or any consequence thereof; or receive notice of the enactment or promulgation of any Applicable

Environmental Law not in force as of the date hereof which would impair the value of any of the Mortgaged Collateral to the Mortgagee; then the Mortgagor shall notify the Mortgagee within three (3) days of the Mortgagor's receipt thereof and shall provide the Mortgagee with such additional information in regard thereto as the Mortgagee may from time to time request.

(f) Indemnification. Without any intent to limit the provisions of any other indemnification or agreement to indemnify or hold the Mortgagee harmless which may be contained in this Mortgage, the Mortgagor hereby indemnifies, agrees to indemnify and hold the Mortgagee harmless from and against, and to reimburse it with respect to, any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by the Mortgagee at any time and from time to time by reason of or arising out of (i) the breach of any representation or warranty of the Mortgagor set forth herein; and (ii) the failure of the Mortgagor to perform any obligation herein required to be performed by the Mortgagor, from the date hereof to the Release Date; provided, however, this indemnity shall not apply with respect to matters caused by or arising out of the gross negligence or willful misconduct of the Mortgagee. This indemnity applies, without limitation, to any violation from the date hereof to the Release Date of any Applicable Environmental Law and any and all matters arising out of any act, omission, event or circumstance existing or occurring on or prior to the Release Date (including without limitation the presence on the Mortgaged Collateral or release from the Mortgaged Collateral of any Contaminant), regardless of whether such act, omission, event or circumstance constituted a violation of any Applicable Environmental Law at the time of its existence or occurrence; provided, however, such indemnity shall not apply with respect to matters caused by or arising out of the gross negligence or willful misconduct of the Mortgagee. The provisions of this subparagraph shall survive the Release Date and shall continue thereafter in full force and effect.

(g) Additional Events of Default. Notwithstanding any other provisions contained in this Mortgage to the contrary, in addition to any other Event of Default set forth in this Mortgage, the following occurrences

shall constitute an event of default under this Mortgage (an "Event of Default").

(i) If any governmental authority or other individual or entity asserts or creates a lien on any or all of the Mortgaged Collateral by reason of any Environmental Activity or any other violation of any Applicable Environmental Law; or

(ii) If any governmental authority or other individual or entity asserts any claim against the Mortgagor, any of the Mortgaged Collateral or any other real or personal property owned, occupied, operated or used by the Mortgagor for damages or costs relating to a response to Environmental Activity or any other violation of any Applicable Environmental Law; provided, however, such claim shall not constitute an Event of Default if, within five (5) business days of the assertion of the claim: the Mortgagor shall prove to the Mortgagee's satisfaction that the Mortgagor has commenced and is diligently pursuing either (1) a cure or remediation of any circumstance which constitutes the basis for the claim, and continues diligently to pursue such cure or remediation to completion or (2) proceedings for an injunction, a restraining order or other appropriate relief preventing such governmental authority or individual or entity from asserting such claim, which relief is granted within ten (10) business days of the claim and the injunction, order or relief is not thereafter dissolved or reversed on appeal; and in either of the foregoing events, the Mortgagor has posted a bond, letter of credit or other security satisfactory in form, substance and amount to the Mortgagee to secure the proper and complete satisfaction of the claim, as alleged.

(h) Additional Rights. Not in limitation but in addition to any other rights the Mortgagee may have under this Mortgage, the Mortgagee shall have the following rights and remedies with respect to the environmental status of the Mortgaged Collateral:

(i) The Mortgagee shall have the right to enter on and upon the Mortgaged Collateral at any time and from time to time for the

purpose of making such audit tests, inspections, and examinations, including subsurface exploration and testing, as the Mortgagee, in its discretion, deems necessary, convenient, or proper to determine whether the ownership, use and operation of the Mortgaged Collateral and the conduct of the activities engaged in thereon are in compliance with Applicable Environmental Law. The Mortgagee, or its designated agents, shall have the right to inspect and copy all of the Mortgagor's records relating to environmental matters and to enter all buildings or facilities of the Mortgagor for such purpose. In confirmation of the Mortgagee's right to inspect and copy all of the Mortgagor's records relating to environmental matters and to secure the Mortgagor's obligations to the Mortgagee under this Mortgage, the Mortgagor hereby grants to the Mortgagee a continuing security interest in and to all of the Mortgagor's existing and future records with respect to environmental matters, whether or not located at the Mortgaged Collateral or elsewhere, whether or not in the possession of the Mortgagor or some third party (including any federal, state, or local agency or instrumentality) and whether or not written, photographic, or computerized, and the proceeds and products thereof. The Mortgagee, or its designated agent, may interview any or all of the Mortgagor's agents and employees regarding environmental matters, including any consultants or experts retained by the Mortgagor, all of whom are directed to discuss environmental issues fully and openly with the Mortgagee or its designated agent and to provide such information as may be requested by the Mortgagee. All of the costs and expenses incurred by the Mortgagee with respect to the audits, tests, inspections and examinations which the Mortgagee may conduct, including the fees of the engineers, laboratories and contractors, shall be paid by the Mortgagor. The Mortgagee may, but shall not be required to, advance such costs and expenses on behalf of the Mortgagor. All such costs and expenses so advanced shall be secured by this Mortgage and shall be immediately due and payable by the Mortgagor, without notice, with interest thereon at the Default Rate, as that term is defined in the Credit Agreement.

(ii) The Mortgagee shall have the right but not the obligation, and without limitation of the Mortgagee's other rights under this Mortgage, to enter onto any of the Mortgaged Collateral to conduct or to take such other actions as it deems necessary or advisable to clean up, remediate, encapsulate, remove, resolve or minimize the impact of, or otherwise deal with, any Contaminants or Enforcement Actions or breaches of any Applicable Environmental Law pertaining to the Mortgaged Collateral or any part thereof which could result in an order, suit or other action against the Mortgagor or which, in the sole opinion of the Mortgagee, could otherwise jeopardize its security under this Mortgage. All reasonable costs and expenses incurred by the Mortgagee in the exercise of any such rights shall be secured by this Mortgage and shall be immediately due and payable by the Mortgagor, without notice, with interest thereon at the Default Rate, as that term is defined in the Credit Agreement.

(iii) The Mortgagee shall have the right, in its sole discretion, to require the Mortgagor to establish and maintain (at the Mortgagor's sole expense) a system for the purpose of monitoring compliance with any and all Applicable Environmental Laws, and to periodically (but not more frequently than annually, unless an Enforcement Action is then outstanding or an Event of Default under this Mortgage has occurred, in which case this limitation will not apply) require the performance (at the Mortgagor's sole expense) of an environmental assessment of any of the Mortgaged Collateral and any or all other real or personal property owned, occupied, operated, or used by the Mortgagor or any business conducted thereupon or therewith, satisfactory in scope, form and content to the Mortgagee. Said environmental assessment must be performed by an environmental consultant satisfactory to the Mortgagee. Should the Mortgagor fail to provide said environmental assessment within thirty (30) days of the Mortgagee's written request, the Mortgagee shall have the right but not the obligation to retain an environmental consultant to perform said environmental assessment. All costs and expenses incurred by the Mortgagee in the exercise of such

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rights shall be secured by this Mortgage and shall be immediately due and payable by the Mortgagor, without notice, with interest thereon at the Default Rate, as that term is defined in the Credit Agreement.

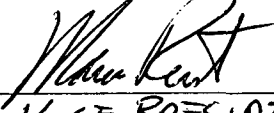
(i) Rights for Sole Benefit of the Mortgagee. Any and all of the Mortgagee's rights under this Mortgage shall be exercised by it in its sole discretion and for the benefit of the Mortgagee only. The Mortgagee shall have no obligation to enter any of the Mortgaged Collateral or to take any other action authorized by this Mortgage. Any action which it may elect to take hereunder shall be for its own benefit and all third party beneficiary rights are hereby expressly negated. The Mortgagee shall have no responsibility for the conduct of the Mortgagor's environmental practices on the Mortgaged Collateral or in any other location. Any action or inaction by the Mortgagee hereunder shall not be deemed to constitute the taking of control over the Mortgagee's waste disposal, waste management, or other environmental practices with respect to any of the Mortgaged Collateral or any other real or personal property owned, occupied, operated or used by the Mortgagor or any business conducted thereupon or therewith.

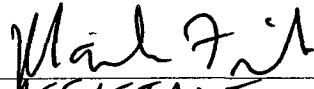
C. Except as specifically provided herein, the Mortgage and Security Agreement, as amended by this First Amendment shall be and remains in full force and effect and not modified or further amended or changed hereby.


This Amendment may be executed in any number of counterparts, each of which for all purposes shall be deemed to be an original.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this First Amendment to Mortgage and Security Agreement to be signed, executed and delivered in their name and behalf by officers duly authorized, as of the day and year herein first written.


ROSE ACRE FARMS, INC.

By 
Its VICE PRESIDENT

By 
Its ASSISTANT SECRETARY

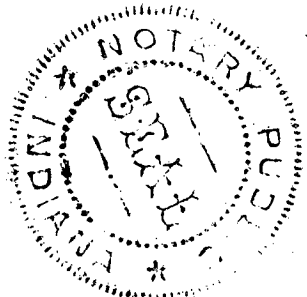
COOPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A., 
"Rabobank Nederland"

By 
Authorized Officer

By 
Authorized Officer

STATE OF Indiana)
COUNTY OF Marion) ss.

On this 8th day of February, 1991, before me, the undersigned, a Notary Public in and for the State of Indiana, personally appeared Marcus D. Rust and Mark Lisk who, being by me duly sworn duly say that they are the Vice President and Asst Secretary respectively, of Rose Acre Farms, Inc., executing the within and foregoing instrument; that (no seal has been procured by the said) (the seal affixed thereto is the seal of said) corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and the said Vice President and Asst Secretary, 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.



Diane L. Lustrum
Notary Public
Commission expires: 6-21-93
Marion County, Indiana

STATE OF NEW York)
COUNTY OF New York) ss.

On this 24th day of January, 1991, before me, the undersigned, a Notary Public in and for the State of New York, personally appeared Joanna M. Solowski and Robert benoit, who, being by me duly sworn duly say that they are the VICE PRESIDENT and VICE PRESIDENT, respectively, of Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", executing the within and foregoing instrument; that (no seal has been procured by the said) (the seal affixed thereto is the seal of said) corporation; that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and the said VICE PRESIDENT and VICE PRESIDENT, 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.

Patricia E. Barragato
Notary Public

R01101A.286

PATRICIA E. BARRAGATO
Notary Public, State of New York
No. 41-4890486
Qualified in Queens County
Commission Expires 7/27, 1991

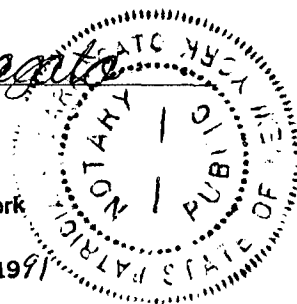


EXHIBIT "A" TO
FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT
DATED AS OF JANUARY 15, 1991

The following described real estate situated in Guthrie County, Iowa, to-wit:

THE WEST HALF (W1/2) OF THE NORTHEAST QUARTER (NE 1/4) AND LOT ONE (1) OF THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) AND LOT ONE (1) OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4), ALL IN SECTION THIRTY-SIX (36), TOWNSHIP EIGHTY (80) NORTH, RANGE THIRTY-TWO (32), WEST OF THE 5TH P.M., IN GUTHRIE COUNTY, IOWA, EXCEPT A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER (SW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION THIRTY-SIX (36), DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 36; THENCE WEST (ASSUMED), 1,405.00 FEET ALONG THE SOUTH LINE OF THE NE 1/4 OF SAID SECTION 36; THENCE NORTH 50.00 FEET TO THE R. O. W. LINE OF COUNTY HIGHWAY N-70, THE POINT OF BEGINNING, THENCE CONTINUING NORTH 185.00 FEET, THENCE WEST 180.00 FEET; THENCE SOUTH 185.00 FEET, THENCE EAST 180.00 FEET TO THE POINT OF BEGINNING; SAID EXCEPTION CONTAINS 0.7645 ACRES.

AND

The following described real estate situated in Madison County, Iowa, to wit:

THE EAST HALF (E 1/2) AND THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) 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 P.M., MADISON COUNTY, IOWA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SECTION 34, T 76N, R28W 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 FEET TO THE POINT OF BEGINNING.

EXHIBIT "B-1" TO
FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT
DATED AS OF JANUARY 15, 1991

Madison County
Permitted Encumbrances

1. Real estate taxes before same become due and delinquent.
2. Financing statement filed November 5, 1987 as filed No. G9989 in favor of Whirlpool Leasing Services, Inc.
3. Financing statement filed November 23, 1987 as UCC Rec. 3, Page 343 in favor of Whirlpool Leasing Services, Inc.
4. Financing statement filed February 1, 1988 as UCC Rec. 3, Page 366 in favor of Metlife Capital.
5. Easement for public highway granted to State of Iowa along south line, as contained in instrument dated August 7, 1931, filed August 7, 1931 in Book 66 of Deeds, Page 572.
6. Easement for public highway purposes granted to Madison County along north line, as contained in instrument dated March 21, 1961, filed March 22, 1961, in Book 91 of Deeds, Page 280.
7. Easement for communications systems purposes granted to Northwestern Bell Telephone Company being 1 rod in width and located within the south 1320 feet, as contained in instrument dated March 10, 1966, filed April 22, 1966 in Book 93 of Deeds, Page 604.
8. Easement for public highway purposes granted to the State of Iowa for primary road No. 92, as contained in instrument filed November 16, 1966 in Book 94 of Deeds, Page 373.
9. Easement for electric transmission line purposes granted to Farmer's Electric Cooperative, Inc. in instrument filed January 21, 1987 in Book 122 of Deeds, Page 647.
10. Easement for electric transmission line purposes granted to Farmer's Electric Cooperative, Inc. as contained in instrument dated March 3, 1987, filed March 10, 1987 in Book 119 of Deeds, Page 800.

EXHIBIT "B-2" TO
FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT
DATED AS OF JANUARY 15, 1991

Guthrie County

Permitted Encumbrances

1. Real estate taxes before same become due and delinquent.
2. Oil and gas lease dated April 2, 1982, filed May 7, 1982 in Book 384, Page 403, in favor of Coal Valley Natural Resources Co.
3. Oil and gas lease dated March 23, 1982, filed May 7, 1983 in Book 384, Page 446, in favor of Coal Valley Natural Resources Co., ratification of lease by contract vendors dated April 21, 1982, filed May 7, 1982 in Book 384, Page 449.
4. Terms and conditions of contract dated July 3, 1987, filed July 6, 1987 in Book 400, Page 1132 in which Rose Acre Farms is vendee, to-wit:

"Buyer agrees to erect a new fence, agreed to be woven wire and three barbed wires, in compliance with the lawful fence provisions set forth in Section 113.18 of the Code of Iowa on the entire adjacent property lines between the Sellers and Buyer. Thereafter, Sellers, their heirs and assigns shall be responsible for any future required, repair, maintenance and/or replacement of the fence provided by the Buyer."

5. Terms and conditions of contract dated June 3, 1987, filed July 6, 1987 in Book 400, Page 1136, in which Rose Acre Farms is vendee, to-wit:

"Buyer agrees to erect a new fence, agreed to be woven wire and three barbed wires, in compliance with the lawful fence provisions set forth in Section 113.18 of the Code of Iowa on the entire adjacent property lines between the Sellers and Buyer. Thereafter, Sellers, their heirs and assigns shall be responsible for any future required, repair, maintenance and/or replacement of the fence provided by the Buyer."

"Buyer shall ensure that surface water upon the real estate which they are purchasing from Sellers is properly drained and that surface water from the property that Buyer is purchasing is not diverted inconsistent with Iowa law upon the adjoining real estate presently owned by the Sellers. This provision shall bind the successors in interest and

EXHIBIT "B-2" TO
FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT
DATED AS OF JANUARY 15, 1991
(continued)

future titleholders of the real estate being
purchased by Buyer."

6. Easement for public highway granted to Guthrie County over the south 60 feet, more or less, as created in Book 296, Page 599 dated July 14, 1965, filed September 20, 1965.
7. Rights of neighboring property owners for use and flowage in drain ditches located along east and west property lines.