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 MORTGAGE RECORD 185
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(Borrower's Land-Borrower's Mortgage)

MICHELLE UTSLER
 RECORDER
 MADISON COUNTY, IOWA

**OPEN-END
 CONSTRUCTION MORTGAGE**
 (Iowa)

THIS OPEN-END MORTGAGE, dated June 5, 1996, is between Randy A. and JoAnn K. Berry a sole proprietorship with principal offices at 1983 305th Street, Winterset, Iowa 50273 (the "Borrower") and the MICHIGAN LIVESTOCK CREDIT CORPORATION, a Michigan corporation, with its principal offices at 2651 Coolidge Road, East Lansing, Michigan 48823 (the "MLCC").

WHEREAS, (A) the Borrower and the MLCC have entered into a CONSTRUCTION LOAN AGREEMENT dated June 5, 1996 (the "Loan Agreement") pursuant to which the MLCC has agreed to loan to the Borrower up to \$300,000.00 (the "Loan") to provide a part of the funding for the construction of a two Hog Finishing Facilities (the "Facility"); (B) the Loan is evidenced by a PROMISSORY NOTE of even date herewith (the "Promissory Note"); (C) the Facility is to be constructed on land which is in Monroe Township, Madison County, Iowa and which is more particularly described in the attached schedule (the "Land"); and (D) as security for its obligations under the Loan Agreement, the Promissory Note and all other documents executed by the Borrower in connection with the Loan Agreement, any modification, renewal or extension of that Loan Agreement, that Promissory Note or those other documents, and all other obligations of the Borrower to the MLCC now existing or hereafter arising, together with interest thereon (collectively, the "Obligations"), the Borrower has agreed to grant to the MLCC a lien and mortgage as hereafter provided.

NOTICE: THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF \$300,000.00. LOANS AND ADVANCES UP TO THIS AMOUNT, TOGETHER WITH INTEREST AND OTHER CHARGES AS PROVIDED HEREIN, ARE SENIOR TO INDEBTEDNESS OF OTHER CREDITORS UNDER SUBSEQUENTLY RECORDED OR FILED MORTGAGES AND LIENS.

NOW THEREFORE, in consideration of the agreement of the MLCC to extend the Loan, the Borrower agrees as follows:

1: Grant of Mortgage/Assignment of Leases. To secure payment and performance by the Borrower of each of the Obligations:

(a) The Borrower hereby grants to the MLCC a lien and mortgage in and to the Land together with all hereditaments and appurtenances now or hereafter belonging thereto.

(b) The Borrower hereby grants to the MLCC a lien and mortgage in and to the Facility and in and to all other improvements now or hereafter located on the Land or in the Facility (the "Improvements").

(c) The Borrower hereby grants to the MLCC a lien and security interest in all personal property which is now or hereafter owned by the Borrower and which now or hereafter constitutes a fixture to the Land (the "Fixtures").

(d) The Borrower hereby grants to the MLCC a lien and security interest in, and hereby assigns to the MLCC for collateral purposes all right, title and interest of the Borrower in (i) any design, architectural, supply or construction contract relating in any way to the construction or maintenance of the Facility, (ii) any licenses or permits which are necessary or appropriate for the operation of the Facility, (iii) any contract relating to the placement, maintenance or care of any livestock at the Facility and (iv) any lease, occupancy, use or similar agreement (written or oral) which is now or at any time in the future in effect with respect to all or any part of the Facility (the "Contracts"), which assignment includes, without limitation, the right to all amounts receivable under any such Contracts.

AT THE REQUEST OF THE BORROWER, THE MLCC, PURSUANT TO THE LOAN AGREEMENT, MAY MAKE FUTURE ADVANCES TO THE BORROWER SO LONG AS THE TOTAL UNPAID PRINCIPAL (INCLUDING ALL ADVANCES UNDER THIS SECTION BUT EXCLUDING AMOUNTS ADVANCED BY THE MLCC TO PROTECT THE MORTGAGED PREMISES, FIXTURES AND CONTRACTS) DOES NOT EXCEED \$300,000.00 OUTSTANDING AT ANY ONE TIME. EACH FURTHER ADVANCE MAY BE MADE AT ANY TIME AFTER THIS OPEN-END MORTGAGE IS PRESENTED FOR RECORD AND BEFORE IT IS RELEASED AND CANCELLED AND SHALL BE EVIDENCED BY DOCUMENTATION SATISFACTORILY EVIDENCING THAT ADVANCE. SUCH ADVANCES, WITH INTEREST AT THE RATE PRESCRIBED IN THE PROMISSORY NOTE, SHALL BE SECURED BY THIS OPEN-END MORTGAGE AND THE BORROWER COVENANTS TO REPAY THE SAME WITH INTEREST AND AGREES THAT ALL OTHER COVENANTS AND CONDITIONS OF THIS OPEN-END MORTGAGE SHALL APPLY TO SUCH ADVANCES.

BORROWER AUTHORIZES THE MLCC TO MAKE ADVANCES TO PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR COSTS INCURRED TO PROTECT THE MORTGAGED PREMISES ANY TO PAY ANY COSTS OF COMPLETING ANY CONSTRUCTION, ALTERATION, REPAIR OR IMPROVEMENT OF THE MORTGAGED PREMISES. THIS OPEN-END MORTGAGE SHALL SECURE THE UNPAID BALANCE OF SUCH ADVANCES MADE AFTER THIS OPEN-END MORTGAGE IS PRESENTED FOR RECORD.

THE BORROWER UNDERSTANDS THAT THE PROMISSORY NOTE SECURED BY THIS OPEN-END MORTGAGE PROVIDES FOR PERIODIC CHANGES IN INTEREST RATE.

2. Commitments of Borrower. In support of the liens and other rights herein granted in and with respect to the Land, the Improvements, the Fixtures and the Contracts (collectively, the "Collateral"), the Borrower commits as follows:

(a) The Borrower shall pay or perform when and as due all of its obligations under the Promissory Note, the Loan Agreement, this Mortgage and all other Obligations of the Borrower.

(b) The Borrower shall commence, proceed with and complete construction of the Facility in strict accordance with the timing and other requirements of the Loan Agreement.

(c) The Borrower shall (i) maintain all Improvements and Fixtures on the Land in good repair, (ii) shall not allow any misuse or deterioration (reasonable wear and tear excepted) of any such Improvements and Fixtures and (iii) unless with the prior written consent of the MLCC, shall not remove, demolish or materially alter any such Improvements and Fixtures.

(d) The Borrower shall secure and at all times maintain in effect with an insurance company acceptable to the MLCC an "all risk" policy against damage or destruction to all Improvements and Fixtures on the Land in an amount equal to their full replacement cost, with the MLCC designated as the "loss payee" and with the coverage not subject to modification or cancellation unless upon 30 days prior written notice to the MLCC. If requested by the MLCC, the Borrower shall pay into escrow with the MLCC as of the due date of each installment under the Promissory Note a supplemental amount which, together with all other amounts similarly paid or payable into escrow, will be sufficient to fund premiums for such insurance as they become due in the future. The Borrower hereby appoints the MLCC as its attorney-in-fact to make demand for and take receipt of any insurance proceeds payable as a result of any damage to or destruction of the Improvements or Fixtures on the Land. The Borrower agrees that the MLCC, in its discretion, may apply all or any part of those proceeds to satisfaction of the Obligations or may permit the Borrower to use those proceeds for the Improvements and Fixtures on the Land.

(e) The Borrower shall pay in full prior to the date any penalties or interest will be imposed all taxes and assessments which are or may at any time be levied against and constitute a lien upon the Land, the Improvements or the Fixtures (collectively, the "Mortgaged Premises") and, at the request of the MLCC, shall provide receipts for payment of the same. If requested by the MLCC, the Borrower will pay into escrow with the MLCC as of the due date of each installment under the Promissory Note a supplemental amount which, together with all other amounts similarly paid or payable into escrow, will be sufficient to fund premiums for such tax and assessments as they become due in the future.

(f) The Borrower shall pay when and as due all charges to third parties for all necessary maintenance, repair and care of the Mortgaged Premises.

(g) Unless with the prior written consent of the MLCC, the Borrower shall at all times maintain the Mortgaged Premises free of all liens, encumbrances or claims other than those in favor of the MLCC and those for which the MLCC gives its specific written consent. If the MLCC consents to the imposition of any other lien or encumbrance upon the Mortgaged Premises, the Borrower shall perform when and as due each obligation of the Borrower so as to avoid any breach or default under any other such lien or encumbrance.

(h) Unless with the prior written consent of the MLCC, the Borrower shall not sell or otherwise dispose of all or any portion of its interest in the Mortgaged Premises.

(i) The Borrower shall in its use and occupancy of the Mortgaged Premises comply in all material respects with all applicable federal, state and local requirements and all requirements of any insurers providing coverage for the Mortgaged Premises.

(j) Without limiting the generality of any other provisions of this Mortgage, the Borrower, in its use and occupancy of the Mortgaged Premises, shall comply in all material respects with all federal, state and local laws pertaining to the environment (collectively, the "Environmental Laws") and shall keep the Mortgaged Premises free of any contamination which would (or potentially would) render the Mortgaged Premises subject to remediation under any Environmental Law. If requested by the MLCC, the Borrower, at its sole expense, shall obtain and provide to the MLCC one or more environmental surveys of the Mortgaged Premises and, if applicable, will arrange for tests and for such remediation activities as are indicated by such surveys.

(k) If and at such time as all or any portion of the Mortgaged Premises becomes subject to a Contract, the Borrower shall perform when and as due all obligations of the Borrower under that Contract, shall cause the other party to that Contract to perform when and as due each obligation of that party thereunder and shall promptly account to the MLCC for any rentals or other amounts received by the Borrower from such other party under such Contract.

(l) The Borrower, from time to time as requested by the MLCC, shall sign such additional documents and will take such other actions as the MLCC may require in order to confirm, perfect and protect the liens, mortgage interests and security interests of the MLCC in the Collateral.

If the Borrower fails to comply with any one or more of the above commitments or if the Borrower otherwise fails to preserve and protect all or any portion of the Collateral, then the MLCC may, but shall not be required to, take such actions and incur such expenses as it deems appropriate to preserve

and protect the Collateral, and, in such event, any amount so incurred shall constitute additional indebtedness secured by this Mortgage and, together with interest thereon at the rate applicable to the unpaid principal under the Promissory Note, shall be payable upon demand.

3. Warranties of Borrower. In support of the liens granted hereby, the Borrower warrants as follows:

(a) The Borrower warrants that the Borrower is the lawful owner of the Land, that the Borrower is and will remain the lawful owner of the Improvements and the Fixtures now or hereafter located on the Land, that neither the Land nor any other Collateral is now or will in the future be subject to any lien or encumbrance other than liens and encumbrances in favor of the MLCC and liens and encumbrances in favor of parties who have been disclosed to and approved by the MLCC and that, except as otherwise agreed in writing by the MLCC, the lien interests of the MLCC in the Collateral constitute first priority rights and are not subordinate to any liens or interest of any other parties.

(b) The Borrower warrants to the MLCC that all portions of the Mortgaged Premises are and will remain in compliance with all material requirements of all Environmental Laws, that there does not exist on the Mortgaged Premises any contamination which would require any remediation under any Environmental Law, that the Borrower has not received any notice from any party (governmental or otherwise) of the presence or potential presence of any contamination on the Mortgaged Premises and that Borrower will immediately notify the MLCC if the Borrower becomes aware of any fact or circumstance which would (or potentially would) render the Mortgaged Premises subject to remediation under any Environmental Law.

The MLCC shall not be liable for and the Borrower shall immediately indemnify and hold the MLCC harmless from and against any and all loss, liability, damage or expense (including attorneys' fees) which the MLCC might incur as a result of the inaccuracy or incompleteness of either or both of the above warranties.

4. Events of Default. The following shall constitute events of default under this Mortgage:

(a) The failure of the Borrower to pay any installment under the Promissory Note within ten (10) days after its due date;

(b) The occurrence of any event or the existence of any condition which constitutes an "event of default" under the Loan Agreement (or any other document executed by the Borrower in connection with the Loan Agreement) which is not remedied within the period, if any, therein permitted for remedial action prior to default;

(c) The failure of the Borrower to perform any commitment or the breach by the Borrower of any warranty under this Mortgage and the failure to remedy such non-performance or breach within ten (10) days after written demand by the MLCC.

5. Remedies Upon Default. Upon the occurrence of an event of default, the MLCC may declare all or any part of the Obligations immediately due and payable and, in addition to all other rights and remedies which may be permitted under applicable law, may exercise any one or more of the following remedial rights:

(a) Demand that the Borrower immediately surrender possession of the Mortgaged Premises to the MLCC, together with all books and records relating to the Mortgaged Premises, and thereafter, in the discretion of the MLCC, take any one or more of the following actions:

(i) If applicable, partially or fully complete construction of the Facility through the efforts of those parties which are third parties to the Contracts or with such other parties as the MLCC determines to be appropriate.

(ii) Lease the Mortgaged Premises to any third party and collect rents thereon for application against the Obligations under all such Obligations have been paid in full.

(iii) Directly or through a third party, operate the Mortgaged Premises upon such terms and conditions as the MLCC deems appropriate in its reasonable discretion, with the net proceeds realized from such operations or from such leasing applied against the Obligations until such time as all of the Obligations have been paid in full.

The right of the MLCC to possess and lease or operate the Mortgaged Premises shall include, in addition to the exclusive right to possess the Mortgaged Premises, all rights of ingress and egress through other properties owned or controlled by the Borrower which are adjacent to the Mortgaged Premises to the extent necessary for such possession and the right, to the extent established by the existing practices, to dispose of any manure generated from the operation of the Mortgaged Premises on properties owned or controlled by the Borrower which are adjacent to the Mortgaged Premises. If the MLCC elects to lease or operate the Mortgaged Premises under this Section 5(a), such rights will terminate, and that MLCC shall surrender possession of the Mortgaged Premises, upon the earlier to occur of the payment in full by the Borrower of all of the Obligations or the disposition of the Mortgaged Premises pursuant to Section 5(b).

(b) Exercise the right to foreclose this Mortgage in accordance with the laws of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the Court having jurisdiction of the case shall at the request of the MLCC appoint a receiver to take immediate possession of the Mortgaged Premises and to rent, cultivate or otherwise deal with the Mortgaged Premises as such receiver may deem best for the interest of all parties concerned, and such receiver shall be liable to account to the Borrower's only for the net profits, after application of the rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the Obligations. The MLCC may direct the sale of the Mortgaged Premises in one parcel or several parcels and in any order as the MLCC may elect in its sole discretion. All proceeds from any such forfeiture or foreclosure shall be applied first to the expenses of foreclosure or forfeiture, second to any expenses incurred by the MLCC as a result of the default by the Borrower and third to the payment of any unpaid balance of the Obligations. Any surplus proceeds shall be remitted to the Borrower. The Borrower shall remain obligated for any deficiency in the proceeds.

(c) Collect and receive all rents, profits or other amounts which are due or subsequently become due under any Contract relating to part or all of the Mortgaged Premises.

(d) Exercise all rights and remedies and privileges accorded to a secured party under the Iowa Uniform Commercial Code. If notice of the intended disposition of Collateral is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) days prior to the date of this intended disposition.

(e) Enter upon the Mortgaged Premises and take such actions as the MLCC deems appropriate to perform the Borrower's obligations under this Mortgage to inspect, repair and protect and preserve the Mortgaged Premises.

(f) Pursue any other available remedy at law or in equity enforce payment of the Obligations.

Every right and remedy provided for in this Section 5 shall be cumulative of every other right or remedy, whether expressly set forth above or otherwise conferred under law or equity, and such rights and remedies may be enforced separately or concurrently.

6. Redemption. In the event of a foreclosure of this Mortgage and a sale of the Mortgaged Premises by a Sheriff's Sale in such foreclosure proceeding, the MLCC and the Borrower agrees as follows:

(a) The time for redemption of this Mortgage, which is otherwise provided by statute as one (1) year from the date of the Sheriff's Sale, shall be reduced to six (6) months after the date of the Sheriff's Sale if (i) the land which is covered by this Mortgage is less than ten (10) acres and (ii) the MLCC, in the foreclosure proceeding, files an election to waive any deficiency judgment against the Borrowers which may arise out of such foreclosure proceedings.

(b) The time for redemption of this Mortgage, which is otherwise provided by statute as one (1) year from the date of the Sheriff's Sale, shall be reduced to sixty (60) days after the date of the Sheriff's Sale if (i) the land which is covered by this Mortgage is less than ten (10) acres and (ii) the Court having jurisdiction over the foreclosure proceeding finds affirmatively that the Mortgaged Premises have been abandoned by the Borrower and any other parties who are personally liable under this Mortgage at the time of such foreclosure; and (iii) the MLCC files an election to waive any deficiency judgement against the Borrower which may arise out of such foreclosure proceedings.

This Section 6 shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 or any other Chapter of the Iowa Code whether now in effect or hereafter adopted.

7. Expenses Upon Default. Upon the occurrence of an event of default, in addition to all other obligations of the Borrower under this Mortgage, the Borrower shall be liable to reimburse the MLCC for all expenses incurred as a consequence of or in response to such default, including, without limitation, attorneys' fees and related expenses.

8. Miscellaneous.

(a) Notices. Any notice permitted or required under this Agreement shall be in writing and shall be deemed "delivered" as follows: (i) if by hand delivery, on the date of actual delivery; (ii) if by facsimile transmission, on the next business day following the date of transmission; (iii) if by mail, on the third business day following the date that the notice is deposited with the United States Postal Services, postage prepaid, to the address of the party to whom notice is being given.

(b) No Waiver. No right or power of any party under this Agreement or any document contemplated by this Agreement (collectively, the "Loan Documents") shall be deemed waived unless by a signed document expressly acknowledging such waiver. No delay or omission by any party to exercise any right or power under this Agreement or any Loan Document shall be interpreted as a waiver of that right or power. The expressed waiver of a right or power in any one instance shall not constitute a waiver of that right or power in a later similar instance.

(c) Applicable Law. This Agreement and each Loan Document is being made under and shall be interpreted in accordance with the laws of the State of Iowa.

(d) Entire Agreement. This ten (10) page Agreement together with the Loan Documents, constitutes the entire agreement between MLCC and the Borrower with respect the Loan and shall not be cancelled or amended except by a later document signed by both the MLCC and the Borrower.

EACH OF THE UNDERSIGNED HEREBY RELINQUISHES ALL RIGHTS OF DOWER, HOMESTEAD AND DISTRIBUTIVE SHARES IN AND TO THE MORTGAGED PREMISES AND WAIVES ALL RIGHTS OF EXEMPTION AS TO ALL OR ANY PART OF THE MORTGAGED PREMISES.

EACH OF THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS MORTGAGE.

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

SIGNED as of the day and year first written above.

[Signature]
_____, Witness
[Signature]
_____, Witness

BORROWER:
By: *Randy A Berry*

Randy A. Berry
By: *JoAnn K. Berry*

JoAnn K. Berry

STATE OF IOWA)
)ss
COUNTY OF *Madison*

On this June 5, 1996, before me appeared Randy A. and JoAnn K. Berry, and who executed the foregoing instrument on behalf of said entity.

Shirley Keating

Shirley Keating, Notary Public
Madison County Iowa
My Commission Expires: *7-28-97*

(Complete if the Mortgaged Premises include the "homestead", within the meaning of Chapter 561 of the Iowa Code, and is "agricultural land", as defined in Section 172C.1 of the Iowa Code, or dwellings, buildings or other appurtenances located on the land.)

EACH OF THE UNDERSIGNED UNDERSTANDS THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, THE UNDERSIGNED VOLUNTARILY GIVE UP THE RIGHTS TO SUCH PROTECTION FOR THE MORTGAGED PREMISES WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE.

Randy A Berry
(Print Name)

Randy A Berry
(Date)

JoAnn Berry
(Print Name)

6/5/96
(Date)

Instrument drafted by:

John Anton
MICHIGAN LIVESTOCK CREDIT CORPORATION
2651 Coolidge Road
East Lansing, Michigan 48823

When recorded return to:

John Anton
MICHIGAN LIVESTOCK CREDIT CORPORATION
2651 Coolidge Road
East Lansing, Michigan 48823

EXHIBIT A TO MORTGAGE**(Legal Description)**

The following described property located in Madison County, Iowa:

The East 75 feet of the South 330 feet of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4) of Section Fifteen (15) in Township Seventy-four (74) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa. AND The Northwest Quarter (1/4) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4), and the West 25 feet of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4); all in Section Fifteen (15), Township Seventy-four (74) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa.