

FOOD SECURITY PROMISSORY NOTE

Date: \_\_\_\_\_

**FOR VALUE RECEIVED,** \_\_\_\_\_, LLC (Borrower), promises to pay to the order of \_\_\_\_\_ (Lender), the principal sum of \_\_\_\_\_, no later than 12 (TWELVE) Months from the date, additionally, the Lender will pay monthly interest to the Borrower via one of the two following methods (at the Lenders choice, INITIAL ONE):

\_\_\_\_\_ A. Money. Interest shall accrue from the date hereof on the unpaid principal balance at the rate of \_\_\_\_\_ seven percent (7 %) per annum, and shall be payable monthly by the 5th day of each month. \_\_\_\_\_ Per Month. First and last payment will be prorated depending on start date.

OR

\_\_\_\_\_ B. Food Interest. Since the Borrower is in the business of farming and local distribution direct to the consumer, the Lender has the option to receive their return via a consistent annual quantity of food. This note provides annually for up to fifteen (15) pounds of Borrower Rib eye Steaks/Delmonico steaks, or the equivalent value of Borrower produced food, based upon the web published rates of Borrower with the basis of the value fixed as of the original date of this note. First and last payment will be prorated depending on start date.

- a. Food Interest will accrue at the rate of 1.25 pounds Rib eye steaks/Delmonico steaks per month. Note that while we will attempt to provide you with your choice of cuts, we cannot guarantee specific availability, although we will provide you with the best level advance availability notice due to your investment.
- b. Food interest will be issued to Lender on a monthly basis in the form of a Borrower credit by the 5<sup>th</sup> day of each month.
- c. Specific Food “purchase” is subject to normal operating availability of product.

**RENEWAL:** Borrower agrees to reconcile the proceeds for the sale of the animal 4 months after the slaughter of the animal and attempt to determine if and when the proceeds of that particular animal are to be paid to the lender or used to purchase another animal under these same terms.

**PREPAYMENT:** This Promissory Note may be prepaid, in cash, at the Borrowers discretion, in whole or in part (partial payments of principal will reduce proportionally payments under A. or B. above), at any time prior to the Maturity Date, without premium or penalty.

**PAYMENT ADDRESS:** All payments hereon shall be made, and all notices to the Lender required or authorized hereby shall be made by the Borrower to the following Lender’s address:

MODIFICATION: This Promissory Note may not be modified or amended, or modified, nor may any of its provisions be waived except by written agreement of the Lender and the Borrower.

USE OF PROCEEDS: The proceeds of this Food Security note will be used only for the purchase of Cattle.

SECURITY: Borrower grants security interest in cattle purchased with this Food Security Note to the Lender.

This Promissory Note shall be governed by and construed and interpreted in accordance under the laws of the State of New Jersey.

**IN WITNESS WHEREOF**, Borrower has duly executed this Promissory Note as of the day and year first above written.

**BORROWER:**

**LENDER:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Signed: \_\_\_\_\_

Name:

Name: \_\_\_\_\_

Title:

(printed)