Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 19 - LIVESTOCK LOANS

Section 8-141, as amended, and the requirements of the Uniform Commercial Code, indicate that a bank must not only have a secured interest in any livestock upon which a loan is to be made, but also the bank must show the value of livestock securing the additional ten percent advancement in order to determine whether the market value of the livestock equals one hundred fifteen percent of the face value of the note.

To assist in setting forth the information required, each bank shall establish an inspection and appraisal report similar to Form 8-141-02. Form 8-141-02 is an example and each bank may determine its own form and content. Provided however, the report shall contain the following minimum information:

- Date of inspection.
- Name, address, and signature of the borrower.
- Date and amount of original note secured by the livestock.
- Total obligation of borrower to the bank.
- Date of security agreement and financing statement.
- Inventory of the livestock by actual count.
- Value of livestock per head.
- Total value of livestock.
- Name, title, and signature of individual making the inspection.

The inspection is to be made within thirty days of the origination of the loan and additional inspections made at least annually thereafter, or more often as prescribed by the Department of Banking.
LIVESTOCK LOANS

Inspection and Appraisal Report

Inspection Date

BORROWER: __________________________ ADDRESS: __________________________

Total Line $_________ Livestock Line $_________ Placed Portion $_________

Original Note Date ___________________________ Amount $__________________

Financing Statement Date ___________________________ Security Agreement Date ___________________________.

Livestock Inventory:

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Est.</th>
<th>Per Head</th>
<th>TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Weight</td>
<td>Value</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL

$__________________

Remarks, Including Feed Inventory:

The undersigned represents and warrants that the property described in the foregoing report is owned by the undersigned, free and clear of all encumbrances except indebtedness to __________________________ in the sum of $_________, which indebtedness is either unsecured or secured by a financing statement and security agreement on the livestock described. This statement is made to the __________________________ for the purpose of inducing said bank to advance money on notes executed by the undersigned.

Signature of the Owner

Inspector's Name:

Inspector's Title:

Inspector's Signature: