

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of March 18, 2010, by and between NORTHERN BEEF PACKERS LIMITED PARTNERSHIP, a South Dakota limited partnership (hereinafter, together with its successors in title and assigns, called the "**Borrower**") and Epoch Star Limited, a company organized under the laws of the British Virgin Islands (hereinafter, together with its successors in title and assigns, the "**Lender**")

RECITALS

A. The Borrower and the Lender are parties to that certain Construction Loan Agreement, dated as of March 18, 2010 (as may be amended, modified, extended, renewed, restated or supplemented from time to time, the "**Loan Agreement**"), upon the terms and subject to the conditions of which the Lender has agreed to make a Loan to the Borrower.

B. As a condition precedent to making the Loan to the Borrower, the Lender has required that Borrower grant to the Lender security interests and Liens in and to all property and assets from time to time owned by it, all upon the terms contained in this Security Agreement (as amended, modified or supplemented and in effect from time to time, this "**Agreement**").

C. Borrower desires to enter into this Agreement in order to satisfy the condition precedent referred to in Recital B of this Agreement and also in order to induce Lender to make the Loan to Borrower under the Loan Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the foregoing and the direct and indirect financial and other benefits to the Borrower, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby promises, covenants and agrees with the Lender as follows:

ARTICLE I **DEFINITIONS**

SECTION 1.1. Certain Terms. The following terms, when used in this Agreement, including the introductory paragraph and Recitals hereto, shall, except where the context otherwise requires, have the following meanings:

"Accounts" means all "accounts," as that term is defined in the UCC, now owned or hereafter acquired by the Borrower, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (including any such obligations that may be characterized as an account or contract right under the UCC), (b) all of the Borrower's rights in, to and under all purchase orders or receipts for goods or services, (c) all of the Borrower's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due to the Borrower for Property sold, leased, licensed, assigned or otherwise disposed of, arising out of the use

of a credit card or charge card, or for services rendered or to be rendered by the Borrower or in connection with any other transaction (whether or not yet earned by performance on the part of the Borrower), (e) all healthcare insurance receivables, and (f) all collateral security of any kind, now or hereafter in existence, given by any person with respect to any of the foregoing.

"Agreement" means this Security Agreement, as amended, modified or otherwise supplemented from time to time.

"Borrower" is defined in the introductory paragraph hereto.

"Borrower's Deposit Account" is defined in the Loan Agreement.

"Collateral" is defined in the Loan Agreement.

"Copyrights" means, collectively, any and all United States copyrights or copyrightable works (whether registered or unregistered, statutory or common law), including, without limitation, any and all reissues, renewals or extensions thereof, and also including any and all registrations of any copyrights in the United States Copyright Office and applications for United States copyright registration made with the United States Copyright Office, any and all rights provided by international treaties or conventions with respect to any of the foregoing, and any and all rights under any agreements or licenses granting any rights or licenses to use any Copyrights or Copyright registrations.

"Equipment" is defined in clause (i) of Section 2.1(a).

"Intellectual Property" means, collectively, with respect to the Borrower, any and all of the rights, title and interests of the Borrower in and to any and all United States, international or foreign: (a) Trademarks; (b) Patents; (c) Copyrights; (d) confidential and proprietary information, including, without limitation, all trade secrets, technology, ideas, know-how, formulae and customer and supplier lists; (e) any and all intellectual property rights in computer software and computer software products (including, without limitation, source codes, object codes, data and related documentation); (f) any and all design rights owned or used by the Borrower; and (g) all other intellectual property rights of every description.

"Inventory" is defined in clause (ii) of Section 2.1(a).

"Lender" is defined in the introductory paragraph hereto.

"Lien" means any mortgage, pledge, security interest, assignment, judgment, lien or charge of any kind, whether or not filed for record, including any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

"Loan Agreement" is defined in the Recitals hereto.

"Loan Documents" is defined in the Loan Agreement.

"Mortgage" is defined in the Loan Agreement.

"Obligations" is defined in the Loan Agreement.

"Paid In Full" or **"Payment In Full"** mean payment in full in cash, and performance in full, of all Obligations.

"Patents" means, collectively, any and all United States patents, including, without limitation, any and all divisions, continuations, reissues, reexaminations, extensions or renewals thereof, all inventions or improvements thereto, any applications for any United States patents, any and all rights provided by international treaty or convention with respect to any of the foregoing, and any and all rights or licenses granting any rights or licenses with respect to any inventions subject to any Patents.

"Related Contracts" is defined in clause (iii) of Section 2.1(a).

"Security Agreement Collateral" is defined in Section 2.1.

"Trademarks" means, collectively, any and all trademarks or service marks which are registered in the United States Patent and Trademark Office or in any other similar office or agency of the United States, any state thereof or any political subdivision thereof and any applications for such trademarks and service marks, and also including any and all unregistered marks and trade dress, including logos, proprietary icons, designs, trade names, trade styles, company names, corporate names, business names, URLs, fictitious business names and other business or source identifiers in connection with which any registered or unregistered marks are used in the United States, and including, without limitation, all common law rights therein, and registrations and applications for registration therefor, all rights provided by international treaties or conventions with respect to any of the foregoing, and any and all rights or licenses under any agreements or licenses granting any rights or licenses to use any Trademarks, and all reissuances, extensions and renewals of any of the foregoing, and all goodwill associated therewith.

"UCC" means the New York Uniform Commercial Code as amended or supplemented and in effect from time to time.

SECTION 1.2. Loan Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including the introductory paragraph and Recitals hereto, that are defined in or by reference in the Loan Agreement shall have the meanings given to such terms in or by reference in the Loan Agreement.

SECTION 1.3. UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Agreement, including the introductory paragraph and Recitals hereto, with such meanings.

SECTION 1.4. General Provisions Relating to Definitions. Terms for which meanings are defined in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The term **"including"** means including, without limiting the generality of any description preceding such term. Each

reference herein to any Person shall include a reference to such Person's successors and permitted assigns. References to any agreement or instrument in this Agreement refer to such agreement or instrument as originally executed or, if subsequently amended or supplemented from time to time, as so amended or supplemented and in effect at the relevant time of reference thereto.

ARTICLE II

SECURITY INTEREST

SECTION 2.1. Grant of Security Interest. (a) The Borrower hereby pledges and collaterally assigns to the Lender, and hereby grants to the Lender, a continuing security interest in and to all of its rights, title and interests in and to all Security Agreement Collateral (as hereinafter defined). **"Security Agreement Collateral"** shall mean, collectively, all of the rights, title and interests of the Borrower in and to all of its personal and fixture property of every kind and nature, including, without limitation all of the following property, whether tangible or intangible, wheresoever located, and whether now owned or at any time or from time to time hereafter acquired, created, arising or existing:

(i) all of the Borrower's equipment in all of its forms (including all fixtures), and in any event including, without limitation, all substitutions therefor, replacements thereof and additions thereto and all attachments, components, parts and accessories installed thereon or affixed thereto, including all computer and telecommunications equipment (any and all of the foregoing being herein collectively called the **"Equipment"**);

(ii) all of the Borrower's inventory in all of its forms, including, without limitation:

(A) all inventory, merchandise, goods and other personal property which are held for sale or lease by the Borrower, all raw materials, work in process, unfinished and finished goods with respect thereto, and all materials used or consumed in the manufacture or production thereof;

(B) all goods in which the Borrower has an interest in mass or a joint or other interest or right of any kind (including goods in which the Borrower has an interest or right as consignee); and

(C) all goods which are returned to or repossessed by the Borrower;

together with, in each case, all accessions thereto and products and proceeds thereof and documents therefor (any and all such inventory, accessions, products, proceeds and documents described in this clause (ii) being herein collectively called the **"Inventory"**);

(iii) all Accounts (including health-care insurance receivables), contracts, contract rights, chattel paper (including tangible and electronic chattel paper), Borrower's Deposit Account, documents (including negotiable documents), instruments (including promissory notes), securities and all other investment property, any other contract right or rights to the payment of money, general

intangibles (including payment intangibles and software), letter of credit rights (whether or not the letter of credit is evidenced by a writing), supporting obligations and other rights of the Borrower of any kind, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services by the Borrower, including, in any event and without limitation, all of the following:

(A) all rights and interests of the Borrower under any real estate lease, including each ground lease, sublease agreement and other similar agreement to which the Borrower is from time to time a party;

(B) all rights and interests of the Borrower under each product purchase agreement, management agreement, franchise agreement or other similar agreement to which the Borrower is from time to time a party;

(C) all rights and interests of the Borrower under each limited liability company operating agreement, limited partnership agreement, partnership agreement, joint venture agreement or other similar agreement to which the Borrower is from time to time a party;

(D) all Accounts arising out of each of the agreements referred to in clause (A), (B) or (C) above;

(E) all Accounts arising out of the licensing, sale or other transfer by the Borrower of any of its Intellectual Property, and all royalties from and all proceeds of any Intellectual Property or otherwise arising out of the licensing, sale or other transfer of any Intellectual Property;

(F) all rights and remedies in and to all Security Instruments, leases, and other instruments securing or otherwise relating to any such Accounts, contracts, contract rights, chattel paper, Borrower's Deposit Account, documents, instruments, general intangibles, letter of credit rights, supporting obligations, real estate leases, product purchase agreements, management, franchise, lease and other agreements, or other obligations; and

(G) all agreements and instruments evidencing any of the foregoing Accounts, contracts, contract rights, chattel paper, Borrower's Deposit Account, documents, instruments, general intangibles, letter of credit rights, supporting obligations, real estate leases, product purchase agreements, management, franchise, lease and other agreements, or other obligations (all such agreements and instruments being collectively called the **"Related Contracts"**);

(iv) all of the Borrower's Intellectual Property of every description, including, without limitation, any and all of the rights, title and interests of the Borrower in and to any and all United States, international or foreign: (A) Trademarks; (B) Patents; (C) Copyrights; (D) confidential and proprietary information, including, without limitation, all trade secrets, technology, ideas, know-how, formulae and customer and supplier lists; (E) any and all intellectual property rights in computer software and computer software products (including, without limitation, source codes, object codes, data and related documentation); (F) any and

all design rights owned or used by the Borrower; and (G) all other intellectual property rights of the Borrower of every description;

(v) all claims, demands, judgments, rights, choses in action, commercial tort claims set forth on Schedule A attached hereto, equities, credits, deposit accounts, cash on hand and in banks, insurance policies, including the cash surrender value thereof and all proceeds thereof, and all federal, state, local and foreign tax refunds and/or abatement to which the Borrower is or may from time to time become entitled, no matter how or when arising, including, but not limited to, any loss carryback tax refunds;

(vi) except as and to the extent otherwise expressly provided by the Loan Agreement, all ownership or other beneficial interests of the Borrower in any joint ventures, partnerships, limited liability companies or any other similar Persons;

(vii) all other property of the Borrower of every kind and description (including all rights, permits and licenses of every kind and description and all rights in respect of any product and service warranty provided by manufacturers or vendors of Equipment), including fixtures and lease improvements and all other rights and interests under any real estate leases;

(viii) all books, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing Security Agreement Collateral (including all computers and other equipment containing any such books, records and other information); and

(ix) all products, royalties, rents, issues, profits, returns, dividends, distributions, income and proceeds (including all cash proceeds and all noncash proceeds) of or rights with respect to any and all of the foregoing Security Agreement Collateral, including proceeds which constitute any property of the kind described in any of clauses (i) through (viii), inclusive, of this Section 2.1(a), and, to the extent not otherwise included, all payments under any indemnity, warranty or guaranty payable by reason of any loss or damage of any kind to or otherwise with respect to any of the foregoing Security Agreement Collateral.

(x) All Farm Products, including but not limited to, all cattle and other livestock and their young, together with all products and replacements for such livestock; all meat and other animal products and by-products; all feed, medicines and other supplies used in Borrower's operations, and to the extent not included in the foregoing as original collateral, the proceeds and products of the foregoing (whether or not all or any of such property constitutes "farm products" under the UCC, or is described as Security Agreement Collateral elsewhere in this Agreement, such property is hereafter non-exclusively referred to in this Agreement as "**Farm Products**").

(xi) All rights of the Borrower to payment or other benefits under any state or federal governmental program.

(b) The grant of the security interest contained in Section 2.1(a) above shall not extend to, and the term "Security Agreement Collateral" shall not include, any directly held investment property, or any general intangibles, now or hereafter held or owned by the Borrower, to the extent, in each case, that (i) a security interest may not be granted by the Borrower in such directly held investment property or general intangibles as a matter of law, or under the terms of the governing document applicable thereto, without the consent of one or more applicable parties thereto and (ii) such consent has not been obtained.

(c) The grant of the security interest contained in Section 2.1(a) above shall extend to, and the term "Security Agreement Collateral" shall include, (i) any and all proceeds of such directly held investment property or general intangibles to the extent that the proceeds are not themselves directly held investment property or general intangibles subject to Section 2.1(b) above and (ii) upon any such applicable party or parties' consent with respect to any otherwise excluded directly held investment property or general intangibles being obtained, thereafter such directly held investment property or general intangibles.

(d) The provisions of Section 2.1(b) above shall not apply to (i) directly held investment property or general intangibles to the extent that the restriction on the Borrower granting a security interest therein is not effective under applicable law or (ii) payment intangibles.

SECTION 2.2. Security for Obligations; Supplement to Loan Agreement; etc.

(a) This Agreement (and the Security Agreement Collateral) secures the prompt payment in full and performance when due of all the Obligations, including all Obligations of the Borrower under the Loan Agreement and the other Loan Documents. In addition, all advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by the Lender in exercising any right, power or remedy conferred by this Agreement, or in the enforcement hereof, shall, to the extent lawful, become a part of the Obligations secured hereby.

(b) This Agreement, the security interests and Liens created hereby, and the covenants and other agreements contained herein, are in addition and supplemental to the provisions of the Loan Agreement and the Mortgage, and the rights, powers and remedies given to the Lender, hereby or thereby are cumulative and are in addition to all of the rights, powers and remedies created by or existing under the Loan Agreement and the Mortgage.

SECTION 2.3. Borrower Remain Liable. Anything herein to the contrary notwithstanding:

(a) the Borrower shall remain liable under all agreements and instruments included in the Security Agreement Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed;

(b) the exercise by the Lender of any rights hereunder shall not release the Borrower from any of its duties or obligations under any agreements or instruments included in the Security Agreement Collateral; and

(c) the Lender shall not have any obligation or liability under any agreements or instruments included in the Security Agreement Collateral by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.4. Attorney-in-Fact. The Borrower hereby irrevocably appoints the Lender, and any officer or agent thereof, the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time in the Lender's discretion, at any time and from time to time to take any and all action and to execute any agreement or instrument or other assurance which the Lender may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) while any Event of Default is continuing, to obtain and adjust insurance required to be maintained by the Borrower pursuant to Section 4.3 of this Agreement or Section 4.8 of the Loan Agreement;

(b) while any Event of Default is continuing, to ask, demand, collect, sue, recover, compromise, receive, and give acquittances and receipts, for moneys due or to become due under or in respect of any of the Security Agreement Collateral;

(c) while any Event of Default is continuing, to receive, endorse and collect any drafts or other instruments and chattel paper in connection with clause (a) or (b);

(d) while any Event of Default is continuing, to execute and do all such assurances, acts and things which the Borrower is required but has failed to do under the covenants and provisions of this Agreement;

(e) while any Event of Default is continuing, to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC or any other relevant jurisdiction and as fully and as completely as though the Lender were the absolute owner thereof for all purposes, and to do, at the Borrower's expense, at any time, or from time to time, all acts and things which the Lender may, in its sole and complete discretion, determine to be necessary or advisable for the purpose of maintaining, preserving or protecting the security constituted by this Agreement or any of the rights, remedies, powers or privileges of the Lender under this Agreement;

(f) generally, in the name of the Borrower or in the name of the Lender, to exercise all or any of the powers, authorities and discretions conferred on or reserved to the Lender pursuant to this Agreement;

(g) to file such financing statements with respect hereto, or a photocopy of this Agreement in substitution for a financing statement as the Lender may reasonably deem necessary; and

(h) to file all effective financing statements pursuant to 7 U.S.C. Section 1631, and amendments to effective financing statements describing the Security Agreement Collateral in any offices as Lender, in its sole discretion, may determine.

The Borrower hereby ratifies all that the Lender shall do or cause to be done by virtue hereof. The Borrower hereby acknowledges, consents, and agrees that the power of attorney granted pursuant to this Section 2.4 is irrevocable and coupled with an interest and shall terminate only upon Payment in Full.

SECTION 2.5. Protection of Collateral. The Lender may from time to time, at its option, perform any act which the Borrower shall have agreed hereunder or under any other Loan Document to perform and which the Borrower shall fail to perform thirty (30) days after being requested in writing to so perform (it being understood that no such request need be given during the continuance of any Default or Event of Default), and the Lender may from time to time take any other action which the Lender deems reasonably necessary for the maintenance, preservation or protection of any of the Security Agreement Collateral or of the security interests therein.

SECTION 2.6. Lender Has No Duty. The powers conferred on the Lender hereunder are solely to protect its interest in the Security Agreement Collateral and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by Lender hereunder and other duties imposed by the UCC upon secured creditors (unless otherwise modified hereby), the Lender shall have no duty as to any Security Agreement Collateral or responsibility for taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Security Agreement Collateral.

SECTION 2.7. Continuing Security Interests; Termination of Security Interests. This Agreement has created and shall create continuing security interests in all of the Security Agreement Collateral and shall:

- (a) remain in full force and effect until Payment in Full;
- (b) be binding upon the Borrower and its successors and assigns (provided that the Borrower may not assign any of its Obligations hereunder without the prior written consent of the Lender); and
- (c) inure to the benefit of the Lender and its successors, transferees and assigns.

Upon Payment in Full, this Agreement and the security interests granted hereby by the Borrower shall automatically terminate and all rights to the Security Agreement Collateral of the Borrower shall revert to the Borrower. Upon any such termination of the security interests granted hereby, the Lender will, at the sole expense of the Borrower, promptly (i) deliver to the Borrower all certificates, instruments and other documents representing or evidencing any Security Agreement Collateral, together with all (if any) other Security Agreement Collateral, then held by the Lender hereunder, and (ii) execute and deliver to the Borrower such instruments and other assurances as the Borrower shall reasonably request to evidence such termination, including properly completed UCC-3 Financing Statements. Upon such termination, the Borrower and its attorneys are authorized to complete and file

any such UCC-3 or other documents or instruments evidencing termination of the security interests and liens granted hereunder or under the other Loan Documents.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as set forth in this Article III, but subject always to the terms and provisions of the Loan Agreement and the Disclosure Schedule attached thereto (as such Disclosure Schedule is revised or supplemented from time to time as provided herein).

SECTION 3.1. Locations. The chief place of business and chief executive office of the Borrower and the office or offices where the Borrower keeps its records concerning its Security Agreement Collateral are identified in the Disclosure Schedule or in written notices from time to time furnished by the Borrower to the Lender. Except as otherwise disclosed by the Borrower to the Lender in writing from time to time, the Borrower has exclusive possession and control of substantially all of its Equipment and Inventory that is Security Agreement Collateral subject to Liens from time to time permitted by the Loan Documents.

SECTION 3.2. Ownership; Possession; etc. The Borrower owns its Security Agreement Collateral free and clear of all Liens, except (a) for Liens from time to time permitted by the Loan Documents, and (b) as otherwise provided or contemplated by the Loan Agreement or the Disclosure Schedule attached thereto. No effective financing statements or other Security Instruments similar in effect covering all or any part of the Security Agreement Collateral of the Borrower are on file in any recording office, except such as may have been filed in favor of the Lender relating to this Agreement and except such as are from time to time permitted under the Loan Documents or otherwise expressly permitted by the Lender.

SECTION 3.3. Contracts; etc. Each of the material Related Contracts and other contracts (and all agreements and contract rights embodied therein) which constitutes Security Agreement Collateral has been, to the knowledge of the Borrower, duly authorized, executed and delivered by the parties thereto, has not been amended or modified in any manner which would have a material adverse effect, is in full force and effect, and is binding upon and enforceable against the parties thereto in accordance with its terms, subject, as to enforcement, only to bankruptcy, insolvency, reorganization, moratorium or other similar applicable laws affecting the enforceability of the rights of creditors generally. There exists no material default or other condition which, after notice or lapse of time, would become a material default under any such Related Contract or other contract which default could reasonably be expected to have a material adverse effect.

SECTION 3.4. Commercial Tort Claim. The Borrower does not hold any commercial tort claim except as indicated on Schedule A attached hereto.

ARTICLE IV COVENANTS

The Borrower hereby covenants and agrees with the Lender that, until Payment in Full, the Borrower covenants and agrees as follows:

SECTION 4.1. Further Assurances Generally. The Borrower will from time to time at its own expense, promptly execute and deliver all further agreements and instruments and other assurances and take all further action that may be reasonably necessary, or that the Lender may reasonably request, in order to perfect and protect any security interests purported to be granted by the Borrower under this Agreement or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any of the Security Agreement Collateral. Without limitation of the foregoing, the Borrower will, with respect to all of its following property constituting Security Agreement Collateral:

(a) at the written request of the Lender at any time when any Event of Default is continuing, immediately mark conspicuously each document included in the Inventory, each chattel paper included in the Security Agreement Collateral, each Related Contract, each Account and each of its records pertaining to Security Agreement Collateral with a legend, in form and substance reasonably satisfactory to the Lender, indicating that such document, chattel paper, Related Contract, Account or Security Agreement Collateral is subject to the security interests granted hereby;

(b) at the written request of the Lender, if any Account shall be evidenced by any instruments, securities or chattel paper, promptly deliver and pledge to the Lender hereunder such instruments, securities or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment (other, in any case, than any checks or drafts received in the ordinary course of business), all in form and substance reasonably satisfactory to the Lender; and

(c) execute, as applicable, and file such financing or continuation statements, or amendments thereto, and such other instruments or otherwise, as may be necessary, or as the Lender may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

The Borrower hereby further authorizes the Lender to file one or more initial financing statements and any amendments or continuation statements thereto, relative to all or any part of the Security Agreement Collateral without the signature of the Borrower where permitted by applicable law, and that indicate the Security Agreement Collateral (i) as all assets of the Borrower or words of similar effect, regardless of whether any particular asset comprised in the Security Agreement Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail. A copy of this Agreement shall be sufficient as a financing statement where permitted by applicable law. At the end of each calendar quarter, Borrower shall furnish to Lender a register of all leased and owned Equipment, identifying in each case whether it is owned or leased, whether it is movable or immovable, the initial date of acquisition or lease, the purchase price or capitalized lease value (as the case may be), the manufacturer, make and model, and a unique identification number (which shall be physically attached to the Equipment). The Borrower will furnish to the Lender from time to time statements and schedules further identifying and describing the

Security Agreement Collateral and such other reports in connection with the Security Agreement Collateral as the Lender may reasonably request, all in reasonable detail.

SECTION 4.2. As to Equipment and Inventory. The Borrower will, with respect to all of its following property constituting Security Agreement Collateral:

(a) keep the Equipment and Inventory (other than (i) worn-out and no longer used or useful Equipment, and (ii) Inventory sold in the ordinary course of business) at such places in jurisdictions where all action required by the Lender pursuant to Section 4.1 shall have been taken with respect to the Equipment and Inventory other than Equipment and Inventory temporarily absent for repair or refurbishment or for bona fide business purposes.

(b) cause the Equipment to be maintained and preserved in commercially reasonable condition, repair and working order, ordinary wear and tear, casualty losses and worn-out and no longer used or useful Equipment excepted, and shall, in the case of any material loss or damage to the Equipment (of which written notice shall be given to the Lender promptly, if such loss or damage is material) as quickly as reasonably practicable after the occurrence thereof, make or cause to be made all commercially reasonable repairs, replacements and other improvements in connection therewith which are necessary to such end;

(c) pay promptly prior to the date they become delinquent all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims against, the Equipment and Inventory, except to the extent permitted under Sections 3.15 and 4.14 of the Loan Agreement;

(d) subject to the limitations set forth in the Loan Agreement, permit representatives of the Lender at any time upon reasonable notice during normal business hours to enter on premises where any of its Security Agreement Collateral is located for the purpose of inspecting the books and records and its Security Agreement Collateral, observing its use or otherwise protecting the Lender's interests therein; and

(e) in respect of leased Equipment, cause each equipment lessor to provide Lender reasonable notice of default by Borrower under the equipment lease and the right to cure any such default.

Notwithstanding the foregoing, this Section 4.2 shall not be deemed, in and of itself, to restrict any disposition of property by the Borrower otherwise permitted under the Loan Agreement or any of the other Loan Documents.

SECTION 4.3. Insurance. The Borrower will, at its own expense, maintain insurance with respect to its Equipment and Inventory, as set forth in Section 4.8 of the Loan Agreement. The Borrower will, if so requested by the Lender, deliver to the Lender original or duplicate policies of such insurance and, as often as the Lender may reasonably request, a report of a reputable insurance broker with respect to the adequacy of such insurance. During the continuance of any Event of Default, all insurance payments otherwise payable to the Borrower under policies of property damage insurance shall instead be paid to and applied by the Lender as specified in Section 5.2.

SECTION 4.4. As to Accounts; etc. The Borrower will, with respect to all of its following property constituting Security Agreement Collateral:

(a) keep its chief place of business and chief executive office and the offices where it keeps its records concerning the Accounts, and all originals of all chattel paper, at the location therefor specified in Section 3.1 or, upon thirty (30) days' prior written notice to the Lender, at such other locations; provided, however, that all action reasonably required by the Lender pursuant to Section 4.1 shall have been taken; and

(b) hold and preserve such records and chattel paper and permit representatives of the Lender upon reasonable advance written notice at any time during normal business hours to inspect and make abstracts from such records and chattel paper.

Unless any Event of Default is continuing and the Lender has instructed the Borrower otherwise, the Borrower shall continue to collect, at its own expense, all amounts due or to become due to the Borrower under or with respect to the Accounts and other Security Agreement Collateral; provided, however, that the Borrower may adjust, settle or compromise the amount or payment thereof in the ordinary course of business. In connection with such collections, the Borrower may take such action as the Borrower may deem necessary or advisable to enforce collection of the Accounts and other Security Agreement Collateral; provided, however, that the Lender shall have the right, at any time during the continuance of any Event of Default, to communicate with account debtors in order to verify with them, to the Lender's reasonable satisfaction, the existence, amount and terms of any Accounts or other Security Agreement Collateral, to notify the account debtors or obligors under any Accounts or other Security Agreement Collateral of the assignment of such Accounts or other Security Agreement Collateral to the Lender, and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Borrower thereunder directly to the Lender (to such account of the Lender as the Lender shall reasonably designate) and, upon such notification and at the expense of the Borrower, to enforce collection of any such Accounts or other Security Agreement Collateral, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Borrower might have done. After the earlier to occur of the Maturity Date or the acceleration of the Obligations pursuant to the Loan Documents, and receipt (at any time thereafter) by the Borrower of notice from the Lender instructing the Borrower to comply with the following provisions of this Section 4.4: (i) all amounts and proceeds (including any instruments) received by the Borrower in respect of any Accounts or other Security Agreement Collateral shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of the Borrower, and shall be forthwith paid over to the Lender (to such account of the Lender as the Lender shall designate) in the same

form as so received (with any necessary endorsements) to be held as cash collateral and applied in accordance with Section 5.2; and (ii) the Borrower will not, without the written consent of the Lender, adjust, settle, or compromise the amount or payment of any Accounts or other Security Agreement Collateral, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

SECTION 4.5. Continuous Perfection. The Borrower hereby covenants and agrees that it will not change its name, identity or corporate structure in any manner which might make any financing or continuation statement filed hereunder seriously misleading within the meaning of any then applicable provision of the UCC unless the Borrower shall have given the Lender at least thirty (30) days' prior written notice thereof and shall have taken all action (or made arrangements to take such action substantially simultaneously with such change if it is impossible to take such action in advance) necessary or reasonably requested by the Lender to amend such financing statement or continuation statement so that it is not seriously misleading.

SECTION 4.6. Transfers and Other Liens.

(a) The Borrower hereby covenants and agrees that it will not:

(i) sell, assign (by operation of law or otherwise) or otherwise dispose of any of its Security Agreement Collateral, except (in any case) for sales of Inventory and Farm Products in the ordinary course of business and sales and other dispositions of property from time to time permitted by the Loan Documents; or

(ii) create or suffer to exist any Liens upon or with respect to any of its Security Agreement Collateral, except for (A) the security interests created by this Agreement, and (B) any other Liens from time to time permitted by the Loan Documents.

(b) The Borrower hereby covenants and agrees that it will defend the right, title and interest of the Lender in and to its material Security Agreement Collateral and in and to all of the proceeds and products thereof against the claims and demands of all other Persons.

SECTION 4.7. Trademarks.

(a) **Additional Representations and Warranties.** The Borrower at any time party hereto represents and warrants that it owns or is licensed to use (or is otherwise not prohibited from using) all Trademarks that it uses in the conduct of its business. The Borrower further warrants that it is aware of no third-party claim that any aspect of the Borrower's present or contemplated business operations infringes or will infringe any Trademark or trade name. The Borrower hereby grants to the Lender an absolute power of attorney to sign during the continuance of any Event of Default any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest in each Trademark owned by the Borrower and associated goodwill and record the same.

(b) **Licenses and Assignments.** Except as otherwise permitted by the Loan Agreement or any of the other Loan Documents, the Borrower hereby agrees not to divest

itself of any rights under any Trademark (other than in the ordinary course of business), without (in each case) the prior written consent of the Lender.

(c) **Infringements.** The Borrower agrees, promptly upon learning thereof, to notify the Lender in writing of the name and address of, and to furnish such pertinent information relating thereto of which it may be aware with respect to, any Person who the Borrower believes to be infringing or diluting or otherwise violating in any material respect any of the Borrower's material rights in and to any Trademarks or with respect to any Person claiming that the Borrower's use of any of its Trademarks violates in any material respect any property right of that Person. The Borrower further agrees, if consistent with good business practice, diligently to prosecute an action against any Person the Borrower learns is infringing any Trademarks in a manner in accordance with its reasonable business practices.

(d) **Preservation of Marks.** The Borrower agrees to use its Trademarks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Trademarks (and any registrations thereof) as trademarks or service marks registered under the laws of the United States; provided, however, that the Borrower shall not be obligated to preserve any Trademark in the event the Borrower determines, in its reasonable business judgment, that the preservation of such Trademark is no longer necessary or desirable in the conduct of its business.

(e) **Maintenance of Registration.** The Borrower shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq., to maintain its Trademark registrations, including, but not limited to, affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Trademarks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and shall pay all fees and disbursements in connection therewith, and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all judicial remedies without the prior written consent of the Lender; provided, however, that the Borrower shall not be obligated to maintain any Trademark in the event that the Borrower determines, in its reasonable business judgment, that the maintenance of such Trademark is no longer necessary or desirable in the conduct of its business.

(f) **Future Registered Marks.** If any Trademark registration issues at any time hereafter to the Borrower as a result of any application now or hereafter pending before the United States Patent and Trademark Office, the Borrower shall, upon the request of the Lender from time to time, deliver promptly to the Lender a copy of such certificate and a grant of security in such Trademark to the Lender, confirming the grant thereof hereunder, the form of such confirmatory grant of security to be in form and substance reasonably satisfactory to the Lender.

(g) **Remedies.** If any Event of Default shall be continuing, the Lender may, by written notice to the Borrower, take any or all of the following actions: (i) declare the entire right, title and interest of the Borrower in and to each of the Borrower's Trademarks and the goodwill of the business associated therewith, together with all trademark rights and rights of protection to the same, vested in the Lender, in which event such rights, title and interest shall immediately vest in the Lender pursuant to this Agreement; (ii) take and use or sell the Trademarks and the goodwill of the Borrower's business symbolized by the Trademarks and the right to carry on the business and use the assets of the Borrower in connection with

which the Trademarks have been used; and (iii) direct the Borrower to refrain, in which event the Borrower shall refrain, from using the Trademarks in any manner whatsoever, directly or indirectly, and, if requested by the Lender, change the Borrower's corporate name to eliminate therefrom any use of any Trademark and execute such other and further documents that the Lender may from time to time reasonably request to further confirm this and to transfer ownership of the Trademarks and registrations and any pending trademark application in the United States Patent and Trademark Office or any equivalent government agency or office in any foreign jurisdiction to the Lender.

SECTION 4.8. Patents and Copyrights; etc.

(a) **Additional Representations and Warranties.** The Borrower represents and warrants that it is the true and lawful owner of all rights in all material trade secrets and proprietary information necessary to operate the business of the Borrower.

(b) **Licenses and Assignments.** Except as otherwise permitted by the Loan Agreement or any of the other Loan Documents, the Borrower hereby agrees not to divest itself of any rights under any Patent or Copyright, other than in the ordinary course of business or in the event that the Borrower determines, in its reasonable business judgment, that such Patent or Copyright is no longer necessary or desirable in the conduct of its business, without (in each case) the prior written consent of the Lender.

(c) **Infringements.** The Borrower agrees, promptly upon learning thereof, to furnish the Lender in writing with all pertinent information available to the Borrower with respect to any infringement of any of the Borrower's Patents or Copyrights, or with respect to any claim that practice of the Borrower's Patents or Copyrights violates any property right of a third party or with respect to any misappropriation of any trade secret rights or any claim that the practice of any trade secret right violates any property right of a third party. The Borrower further agrees diligently to prosecute, in accordance with commercially reasonable business practices, an action against any Person infringing any of its material Patents or Copyrights.

(d) **Maintenance of Patents.** At its own expense, the Borrower shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each of its material Patents.

(e) **Prosecution of Patent Applications.** At its own expense, the Borrower shall diligently prosecute all applications for United States Patents necessary to operate the business of the Borrower and shall not abandon any such applications prior to exhaustion of all reasonable administrative and judicial remedies, without the prior written consent of the Lender; provided, however, that the Borrower shall not be obligated to prosecute any such applications in the event the Borrower determines, in its reasonable business judgment, that the prosecution of such applications is no longer necessary or desirable in the conduct of its business.

(f) **Other Patents and Copyrights.** The Borrower shall provide to the Lender, upon request of the Lender from time to time, a report setting forth all acquisitions or issuances of United States Patents, registrations of Copyrights, acquisitions of registered Copyrights, or filings of applications for United States Patents or Copyrights, which shall occur at any time or times after the date of the report most recently delivered pursuant to

this paragraph (f); together with copies of certificates of registration of, or applications for, said Patents and Copyrights. The Borrower shall, at its own expense, upon request of the Lender from time to time, also deliver to the Lender all such other agreements and instruments relating to the Liens and security interests of the Lender in such Patents and Copyrights as the Lender shall reasonably require, each of which shall be in form and substance reasonably satisfactory to the Lender.

(g) **Remedies.** If any Event of Default shall be continuing, the Lender may, by written notice to the Borrower, take any or all of the following actions: (a) declare the entire right, title and interest of the Borrower in each of its Patents and Copyrights vested in the Lender, in which event such right, title and interest shall immediately vest in the Lender pursuant to this Agreement and the other applicable agreements pursuant to which all of the Borrower's right, title and interest to such Patents and Copyrights are or will be assigned to the Lender; (b) take and practice or sell the Patents and Copyrights; and (c) direct the Borrower to refrain, in which event the Borrower shall refrain, from practicing the Patents and Copyrights, directly or indirectly, and the Borrower shall execute such other and further documents as the Lender may request from time to time further to confirm this and to transfer ownership of the Patents and Copyrights to the Lender.

SECTION 4.9. Commercial Tort Claims. If the Borrower shall, now or at any time hereafter, hold or acquire a commercial tort claim, the Borrower shall promptly notify the Lender in a writing signed by the Borrower of the particulars thereof and grant to the Lender, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Lender.

SECTION 4.10. Farm Products. If requested by the Lender, the Borrower will provide the Lender with a list of the buyers, commission merchants and selling agents to or through whom the Borrower may sell Farm Products. The Borrower authorizes the Lender to notify all such buyers, commission merchants and selling agents, or any other Person of Lender's security interest in Borrower's Farm Products.

Borrower shall comply with all livestock and other Farm Product producer payment requirements and all other requirements of the Packers and Stockyards Act (7 U.S.C. § 181, et. seq.) and similar state or federal laws, and shall not allow any livestock or other Farm Product to be subject to any statutory trust or third party interest, except Lender's.

Borrower shall not store, whether in any feedlot or otherwise, any livestock or other Farm Products outside Borrower's plant property in South Dakota, without the prior written consent of Lender. Lender may condition its consent as it deems fit in its sole discretion, and may require a written acknowledgment from any person having physical possession of any Farm Products outside of South Dakota (i) of the Lender's security interest in such Farm Products; (ii) that it holds possession of such Farm Products for the Lender's benefit; (iii) that it will keep such livestock and other Farm Products separate and readily distinguishable from other such Farm Products not owned by Borrower; (iv) that it agrees to follow the Lender's instructions as to disposition of the Farm Products upon its receipt of such instructions; and (v) that it agrees to waive or subordinate to Lender's interest, any contractual or statutory lien interest in such property. Lender may file informational financing statements naming such third parties as Borrower.

ARTICLE V

REMEDIES

SECTION 5.1. Exercise. If any Event of Default is continuing, the Lender may exercise with respect to all or any of the Security Agreement Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of the Lender under the other Loan Documents and all the rights and remedies of the Lender upon default under the UCC (whether or not the UCC applies to the affected Security Agreement Collateral) and other applicable law. Without limitation of the above, the Lender may, whenever an Event of Default is continuing, without (to the extent permitted by applicable law) notice to the Borrower, take all or any of the following actions:

(a) transfer all or any part of the Security Agreement Collateral into the name of the Lender or its nominee, with or without disclosing that such Security Agreement Collateral is subject to any Liens hereunder;

(b) notify the parties obligated in respect of any of the Security Agreement Collateral to make payments directly to the Lender of any amount due or to become due thereunder;

(c) enforce collection of any of the Security Agreement Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(d) endorse any checks, drafts or other writings in the name of the Borrower to allow collection of the Security Agreement Collateral;

(e) take control of any proceeds (whether cash proceeds or noncash proceeds) of the Security Agreement Collateral;

(f) execute (in the name, place, and stead of the Borrower) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Security Agreement Collateral; and

(g) generally, do all such other acts and things as may be considered incidental or conducive to any of the matters or powers mentioned in the foregoing provisions of this Section 5.1 and which the Lender may or can do lawfully and to use the name of the Borrower for such purposes and in any proceedings arising therefrom.

In furtherance of, and not in limitation of, the foregoing, the Lender, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly irrevocably waived by Borrower), may, whenever any Event of Default is continuing, collect, receive, appropriate and realize upon the Security Agreement Collateral, or any part thereof, and sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Security Agreement Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, at any broker's board

or at any of the Lender's offices or elsewhere upon such terms and conditions as it may reasonably deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right to the Lender upon any such sale or sales, public or private, to purchase the whole or any part of the Security Agreement Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly irrevocably waived and released by Borrower. Unless Security Agreement Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, in which event no notification is required, the Borrower agrees that the Lender need not give it more than ten (10) days' prior notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters.

SECTION 5.2. Application of Proceeds. All cash proceeds received or otherwise held by the Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Security Agreement Collateral shall be applied by the Lender as provided in Section 4.10 of the Loan Agreement.

THE BORROWER SHALL REMAIN LIABLE FOR ANY DEFICIENCY.

SECTION 5.3. Indemnity and Expenses. The Borrower hereby agrees to indemnify and hold harmless the Lender, and the shareholders, officers, directors, employees, agents, subsidiaries and affiliates of the Lender as provided in Section 4.18 of the Loan Agreement. Borrower will, upon written demand, pay to the Lender the amount of any and all reasonable out-of-pocket costs and expenses, including the reasonable fees and disbursements of its counsel and of any experts, which the Lender may incur or sustain in connection with:

- (a) the administration of this Agreement or other agreement or other instrument relating hereto;
- (b) the removal, custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Borrower's Security Agreement Collateral;
- (c) the exercise or enforcement against the Borrower of any of the rights or remedies of the Lender hereunder;
- (d) the failure by the Borrower to perform or observe any of the provisions hereof; or
- (e) the advancement of any funds in connection with actions taken pursuant to Sections 2.4, 2.5 and 2.6.

SECTION 5.4. Grant of License to Use Intellectual Property Collateral. For the purpose of enabling the Lender to exercise rights and remedies as a secured party under Section 5.1, and as a supplement to any other rights and remedies available to the Lender as a secured party, if any Event of Default is continuing, Borrower shall grant, and shall for all purposes hereof be deemed to have granted, to the Lender an irrevocable, non-exclusive

license (exercisable without payment of any royalty or other compensation to the Borrower) with respect to all Intellectual Property now owned or hereafter acquired by the Borrower.

SECTION 5.5. No Waiver; Remedies Cumulative. No delay, act or omission on the part of the Lender of any of its rights or remedies hereunder shall be deemed a waiver of any rights or remedies hereunder unless also contained in a writing signed by the Lender in compliance with Section 8.6 of the Loan Agreement, nor shall any single or partial exercise of, or any failure to exercise, any right, power or privilege preclude any other or further or initial exercise thereof of any other right, power or privilege. The rights and remedies provided herein are cumulative, and not exclusive of rights and remedies which may be granted or provided by applicable law or by any other Loan Document.

SECTION 5.6. Marshalling. The Lender shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Security Agreement Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the rights of the Lender, hereunder or in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, Borrower hereby agrees that it will not invoke any applicable law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Lender's rights under this Agreement or other agreements or instruments creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Borrower hereby irrevocably waives the benefits of all such laws.

ARTICLE VI **MISCELLANEOUS**

SECTION 6.1. Collateral Document, etc. For all purposes of the Loan Agreement, this Agreement is a "**Loan Document**" executed and delivered pursuant to the Loan Agreement, and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with and subject to the terms and provisions of the Loan Agreement. In the event of any conflict between any provision of this Agreement and any provision of the Loan Agreement, the provision contained in the Loan Agreement shall prevail.

SECTION 6.2. Assignment; etc. This Agreement shall be binding upon the Borrower and its successors in title and assigns and shall inure to the benefit of the Lender and its successors in title and assigns. The Lender may, in connection with any assignment or other transfer of all or any part of any of the Obligations, assign or transfer to the assignee or transferee of any of such Obligations all or any part of the Lender's rights hereunder. No such assignment or transfer by the Lender shall impair or affect any of the Obligations of Borrower hereunder or thereunder.

SECTION 6.3. Amendments; etc. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated in any manner whatsoever unless in writing duly signed by the Lender in compliance with the provisions of Section 8.6 of the Loan Agreement.

SECTION 6.4. Addresses for Notices. All notices, requests, demands or other communications pursuant hereto shall be deemed to have been duly given or made when delivered to the Person to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement, addressed to such party (a) in the case of the Lender, as provided in the Loan Agreement, and (b) in the case of the Borrower, at such address of the Borrower as the Borrower shall have specified in writing to the Lender; or, in any case, at such other address as Borrower or Lender may hereafter notify the others in writing.

SECTION 6.5. Counterparts; etc. This Agreement, including, without limitation, the representations, warranties and covenants contained herein, shall become effective on and as of the date hereof when the Lender and the Borrower shall have signed a counterpart hereof (whether the same or different counterparts) and the Borrower shall have delivered (including by way of facsimile transmission) the same to the Lender. This Agreement, and all of the Obligations hereunder of the Borrower, shall be irrevocable and shall not be subject to revocation or termination by the Borrower at any time with respect to any of the Obligations, whether such Obligations are existing at such time or are incurred, created or arise at any time or times thereafter. This Agreement and the Obligations hereunder shall, immediately and without further action of the parties hereto, be terminated upon Payment in Full. Notwithstanding anything to the contrary contained herein, this Agreement shall continue to be effective or be reinstated if at any time any payment made or value received with respect to any Obligation is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower, or otherwise, all as though such payment had not been made or value received.

SECTION 6.6. Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

SECTION 6.7. CHOICE OF LAW AND VENUE; FORUM; JURY TRIAL WAIVER.

(a) **Choice of Law.** This Agreement shall be governed by and construed in accordance with, the law of the State of New York without regard to conflict of laws principles thereof (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

(b) **Forum, Etc.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING

MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN THIS SECTION 6.7. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 6.4. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(c) Waiver of Jury Trial. BORROWER AND LENDER WAIVE TRIAL BY JURY IN RESPECT OF ANY DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER AND LENDER, AND BORROWER AND LENDER HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. BORROWER AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. BORROWER FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

SECTION 6.8. Knowledge of Significance of Waivers; etc. THE BORROWER WARRANTS AND AGREES THAT EACH OF THE WAIVERS SET FORTH IN THIS AGREEMENT IS MADE WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND CONSEQUENCES AND THAT IF ANY OF SUCH WAIVERS ARE DETERMINED

TO BE CONTRARY TO ANY APPLICABLE LAW OR PUBLIC POLICY, SUCH WAIVERS SHALL BE EFFECTIVE ONLY TO THE MAXIMUM EXTENT PERMITTED BY LAW.

SECTION 6.9. Delivery by Facsimile. Delivery of the signature pages to this Agreement by facsimile shall be as effective as delivery of manually executed counterparts of this Agreement.

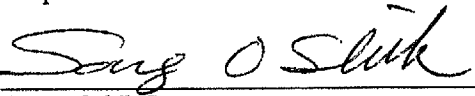
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the parties hereto have caused this **SECURITY AGREEMENT** to be duly executed and delivered by their respective officers thereunto duly authorized on and as of the date first above written.

Borrower:

NORTHERN BEEF PACKERS LIMITED PARTNERSHIP, a
South Dakota limited partnership

By: Northern Beef Packers Management LLC,
its general partner

By: 
Name: Oshik Song
Title: Sole Member

By: 
Name: Myung-Kyu David Kang
Title: Interim General Manager

Lender:

EPOCH STAR LIMITED, a company organized under the laws
of the British Virgin Islands

By: _____

Name: Christine Ma

Title: Director

SCHEDULE A

LIST OF COMMERCIAL TORT CLAIMS

None.