

insolvency or creditors rights generally, or appointing or the taking of possession of any substantial portion of the Borrower's assets by receiver, liquidator, assignee, trustee, custodian or similar official, or ordering the winding up of or liquidation of the affairs of the Borrower and any such decree or order shall continue unstayed and in effect for a period of sixty (60) consecutive days.

6.1.10 Insolvency. Borrower becoming insolvent or failing or being unable to pay their debts as they mature, or admitting in writing their inability to pay their debts as they become due, or making a general assignment for the benefit of their creditors, or entering into any agreement suspending the transaction of all or any substantial portion of their usual and customary business operations.

6.1.11 Environmental Compliance. The issuance or receipt of any notice alleging violation of any environmental statute, law, ordinance, rule or regulation relating to the present, previously or subsequently owned or leased real properties of Borrower, provided that such violation remains uncured Sixty (60) days after the receipt of the relevant notice by Borrower.

6.1.12 Construction Progress. Borrower fails to progress the construction in accordance with the Project Schedule, other than for delays caused by Force Majeure, delay in loan disbursements, or a default by the Contractor under the Construction Contract provided such delay is not the result of the actions of Borrower.

6.1.13 Other Default. The occurrence of an event that constitutes a default or Event of Default under either the Note, any of the Loan Documents, and/or any other document, certificate, instrument or agreement delivered by the Borrower to the Lender in connection with the transactions contemplated herein or therein.

6.1.14 Curing Default. Except as otherwise stated herein, if Borrower is in default under any of the conditions set forth in Section 5, Borrower shall have Thirty (30) days from when notice of default was given, to cure the same.

6.1.15 Lapse of Permits or Approvals. Any permit, license, certificate or approval that Borrower is required to obtain with respect to the construction, operation, development, leasing or maintenance of the Improvements or the Property lapses or ceases to be in full force and effect and the same is not cured within five (5) days of such lapse or cessation.

6.1.16 Material Adverse Change. In the reasonable opinion of Lender, the prospect of payment or performance of all or any part of the Obligations has been impaired because of a material adverse change in the financial

condition, results of operations, business or properties of Borrower, Guarantor or any other Person liable for the payment or performance of any of the Obligations.

6.1.17 Mechanic's Lien. A lien for the performance of work or the supply of materials filed against the Property, or any stop notice served on Borrower, the Contractor or Lender, remains unsatisfied or unbounded for a period of sixty (60) days after the date of filing or service.

6.1.18 Performance Enjoined or Prohibited. Borrower is enjoined or prohibited from performing any of its obligations under any of the Loan Documents for a period of more than fifteen (15) consecutive days.

6.1.19 Appointment of Receiver, Trustee, Liquidator. Borrower, General Partner or any Guarantor applies for or consents in writing to the appointment of a receiver, trustee or liquidator of Borrower, any general partner of Borrower, any Guarantor, the Property, or all or substantially all of the other assets of Borrower, any general partner of Borrower or any Guarantor, or an order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor appointing a receiver, trustee or liquidator of Borrower, any general partner of Borrower, any Guarantor, the Property, or all or substantially all of the other assets of Borrower, any general partner of Borrower or any Guarantor.

6.1.20 Judgment. A final nonappealable judgment for the payment of money involving more than Fifty-Thousand Dollars (\$50,000) entered against Borrower or any Guarantor, and Borrower or such Guarantor fails to discharge the same, or causes it to be discharged or bonded off to Lender's satisfaction, within thirty (30) days from the date of the entry of such judgment.

6.1.21 Dissolution; Change in Business Status. Unless the written consent of Lender is previously obtained, all or substantially all of the business assets of Borrower or any Guarantor are sold, Borrower or any Guarantor is dissolved, or there occurs any change in the form of business entity through which Borrower or any Guarantor presently conducts its business or any merger or consolidation involving Borrower or any Guarantor.

6.1.22 Default Under Other Indebtedness. Borrower or any Guarantor fails to pay any indebtedness (other than the Loan) owed by Borrower or such Guarantor to Lender when and as due and payable (whether by acceleration or otherwise).

6.1.23 Change in Controlling Interest. Without the prior written consent of Lender, (i) Borrower's sole general partner fails to continue to be Northern Beef Packers Management, LLC or ceases to own and control at least Forty Percent (40%) of the aggregate partner interests in Borrower, (ii) more than Forty-nine Percent (49%) of the limited partnership interests have been transferred to a Person other than General Partner, or (iii) General Partner ceases to be owned and controlled solely by Mr. Oshik Song, or (iv) any general partners in addition to General Partner are admitted to Borrower.

SECTION 7
Remedies on Default

7.1 Remedies on Default.

Upon the happening and during the continuance of any Event of Default, Lender shall have the right, in addition to any other rights or remedies available to Lender under the Mortgage or any of the other Loan Documents or under applicable Law, to exercise any one or more of the following rights and remedies:

- (a) Lender may terminate its obligation to disburse any further principal of the Loan pursuant to this Agreement by Notice to Borrower.
- (b) Upon thirty (30) days written notice Lender may accelerate all of Borrower's Obligations under the Loan Documents whereupon such Obligations shall become due and payable.
- (c) Lender may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.
- (d) Lender may foreclose the Mortgage and/or exercise all remedies with respect to any other Collateral.
- (e) Lender may set off the amounts due Lender under the Loan Documents against all accounts, credits, money, securities or other property of Borrower now or hereafter under the control, maintained in an account, or in the possession of Lender to the credit or for the account of Borrower, without notice to or the consent of Borrower.
- (f) Lender may enter into possession of the Property and perform any and all work and labor necessary to complete the development of the Land and the construction of the Improvements (whether or not in accordance with the Plans and Specifications) and to employ watchmen to protect the Property and the Improvements. All sums expended by Lender for such purposes shall be deemed to have been advanced to Borrower under the Note and shall be secured by the Mortgage and the other Security Documents. For this purpose, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution, which power is coupled with an interest, but without any fiduciary duty, to complete the work in the name of Borrower, and hereby empowers said attorney or attorneys, in the name of Borrower or Lender:
 - (i) To use any funds of Borrower including any balance which may be under the control or maintained in an account of Lender and any funds which may remain unadvanced hereunder for the purpose of completing the development of the Land and the construction of the Improvements, whether or not in the manner called for in the Plans and Specifications;
 - (ii) To make such additions and changes and corrections to the Plans and Specifications as shall be necessary or desirable in the judgment of Lender to complete the development of the Land and the construction of the Improvements;
 - (iii) To employ such contractors, subcontractors, agents, architects and inspectors as shall be necessary or desirable for said purpose;

(iv) To pay, settle or compromise all existing bills and claims which are or may be liens against the Property, or may be necessary or desirable for the completion of the work or the clearance of title to the Property;

(v) To execute all applications and certificates which may be required in the name of Borrower;

(vi) To file for record, at Borrower's cost and expense and in Borrower's name, any notices of completion, notices of cessation of labor, or any other notices that Lender in its sole and absolute discretion may consider necessary or desirable to protect its security; and

(vii) To do any and every act with respect to the development of the Land and the construction of the Improvements which Borrower may do in its own behalf.

It is understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked so long as any Obligations are outstanding. Said attorney-in-fact shall also have the power to prosecute and defend all actions or proceedings in connection with the development of the Land and the construction of the Improvements and to take such actions and to require such performance as Lender may deem necessary.

(g) In the event Borrower is not able to pay all obligations in full, then the amount immediately due and payable shall bear interest at the increased rate of Ten Percent (10%) per annum or, if less, the maximum rate permitted by law until all amounts due hereunder or thereunder are paid in full and the Lender shall, without limitation be entitled to immediate payment of such amounts together with all of the interest accrued thereon. Any interest charged pursuant to this Paragraph shall be charged both as to any unpaid principal and unpaid interest payments which have not been made according to schedule.

Section 7.2 No Release or Waiver; Remedies Cumulative and Concurrent.

Borrower shall not be relieved of any Obligation by reason of the failure of Lender to comply with any request of Borrower or of any other Person to take action to foreclose on the Property under the Mortgage or otherwise to enforce any provision of the Loan Documents, or by reason of the release, regardless of consideration, of all or any part of the Property. No delay or omission of Lender to exercise any right, power or remedy accruing upon the happening of an Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or any acquiescence therein. No delay or omission on the part of Lender to exercise any option for acceleration of the maturity of the Obligations, or for foreclosure of the Mortgage or the exercise of any right or remedy under any of the other Loan Documents or applicable Law following any Event of Default as aforesaid, or any other option granted to Lender hereunder in any one or more instances, or the acceptance by Lender of any partial payment on account of the Obligations shall constitute a waiver of any such Event of Default and each such option shall remain continuously in full force and effect. No remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other remedies provided for in the Loan Documents, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under the Loan Documents, or now or hereafter existing at Law or in equity or by statute. Every right, power and remedy given by the Loan Documents to Lender shall be concurrent and may be pursued separately, successively or together against Borrower or the Property or any part thereof, and every right, power and remedy given by the Loan Documents may be exercised from time to time as often as may be deemed expedient by Lender.

SECTION 8

Conditions of Lending

The obligation of the Lender to make the Loan, or any installment thereof, is subject to the following conditions:

8.1 Documentation. In addition to the conditions precedent set forth in the Loan Documents, the obligation of the Lender to make the Loan, or any installment thereof, is subject to the condition that Lender shall have received, at the expense of Borrower, each of the following, duly executed and otherwise in form and substance satisfactory to Lender and its counsel, and in such number of signed counterparts as Lender may request (except for the Note, only one of each shall be signed):

8.1.1 Certificate of Limited Partnership and Certificate of Existence of Borrower. A copy of the Certificate of Limited Partnership and a Certificate of Existence of Borrower, in each case certified by the Secretary of State for the State of its formation, to be true and correct.

8.1.2 Certificate of No Default. A certificate signed by Borrower certifying that: (a) no Event of Default is continuing or will result from the making of the Loan, or any applicable installment thereof; (b) that Borrower has observed and performed all obligations, undertakings and agreements required to be observed and performed under this Agreement, the Note and the Loan Documents; and (c) that the representations and warranties of Borrower as contained herein and therein are true and correct as of the date of the Loan, or the applicable installment, as though such representations and warranties were made on and as of that date.

8.1.3 Resolution of Borrower. A copy of the resolution of the partners and directors or managers of Borrower authorizing or ratifying the execution, delivery and performance, respectively, of this Agreement, the Note, and each of the other Loan Documents and each other document, certificate or agreement provided for herein or therein.

8.1.4 Certificates of Incumbency. A certificate of the partners of Borrower certifying the names of the Managers and Members of Borrower authorized to sign this Agreement, the Note, the Loan Documents and all other agreements, documents and instruments provided for herein and therein, together with a sample of the true signature of each such Manager and Member. Lender may conclusively rely on such certificates.

8.1.5 Note. The Note, duly executed by Borrower.

8.1.6 Security and Pledge Agreement and Mortgage. The Security and Pledge Agreement and Mortgage, duly executed by Borrower.

8.1.7 Lien Releases. Lender shall have completed any and all UCC searches it may deem to be necessary or appropriate in connection with this Agreement and the transactions contemplated herein and Borrower shall have provided Lender with such fully executed UCC-3 Termination Statements and such other terminations and/or releases as are necessary in the opinion of Lender and its counsel, in their sole discretion, to terminate or release all liens, claims, security interests, charges or encumbrances affecting the real estate or any other assets owned by the Borrower, except as set forth in Exhibit C.

8.1.8 Miscellaneous. Such other documents and certificates, as Lender may reasonably request.

8.1.9 Pledge of Membership Units. Borrower agrees to allow the pledge of all of its Ownership Interests in Borrower to Lender as additional collateral for payment hereunder.

8.1.10 Appraisal. Borrower agrees to provide an appraisal of sufficient amount to satisfy Lender and such appraisal shall be in an amount such that all covenants herein are met.

8.1.11. State Pledge. Prior to any disbursement of funds, Borrower shall obtain a commitment from the State of South Dakota to lend at least Ten Million Dollars (\$10,000,000) through various programs

8.1.12. USDA. Prior to any disbursement of funds, Borrower shall provide to Lender proof that Borrower is proceeding to obtain from the United States of America's Department of Agriculture a loan guarantee of at least Ten Million Dollars (\$10,000,000) to be used in said Project.

8.1.13. EPOCH STAR LIMITED. Prior to any disbursement of funds, Borrower shall provide to Lender proof that an agreement to purchase Epoch Star Limited has been agreed upon and all rights thereunder assigned to Lender.

8.1.14. Lienholder. All lienholders shall have signed a consent as agreed upon by the parties.

8.1.15. Title Insurance. Title insurance shall be obtained with a Lender's Policy in favor of Lender.

8.1.16. Lien Holders. All previous lienholders, as set forth in Exhibit C have subordinated their lien to Borrower for the first \$30,000,000 loaned. Borrower agrees that all lienholders shall be paid in full and the liens satisfied from the proceeds of the first \$30,000,000 loaned.

8.2 Additional Conditions Precedent to Lender's Obligations. Each of the following is an express condition precedent to the obligation of the Lender to make the Loan, or any installment thereof, to Borrower pursuant to the terms of this Agreement. In the event any one or more of the following conditions are not satisfied to Lender's reasonable satisfaction, the Lender may at its option: (i) waive said condition and fund the Loan or the applicable installment thereof; (ii) suspend performance and pursue such other remedies as may be otherwise available under this Agreement, at law or in equity; or (iii) terminate this Agreement, in which event the Agreement shall be of no further force or effect whatsoever as between the parties.

8.2.1 Representations and Warranties. At the date of this Agreement and the funding of the Loan and any applicable installment thereof, the representations and warranties set forth in this Agreement, the Note, the Loan Documents and all other documents, instruments or agreements delivered to Lender by Borrower in connection herewith or therewith shall be true and correct as of such date with the same effect as though those representations and warranties had been made on and as of such date and are continuing to be made.

8.2.2 No Default. At the time of this Agreement and the funding of the Loan or applicable installment thereof, and immediately after giving effect to the Loan or the applicable installment thereof, Borrower be in compliance with all the terms and provisions set forth herein and/or in the Note, the Loan Documents and all other documents, instruments or agreements delivered to Lender by Borrower in connection herewith or therewith, on their part to be observed or performed, and no Event of Default shall have occurred and be continuing at the time the Loan is made or would result from making the Loan or any applicable installment thereof.

8.2.3 Absence of Material Adverse Events. There shall not exist any state of facts or circumstances which could reasonably be expected to have a material adverse effect on the assets, financial condition, results of operations or prospects of Borrower or on the ability of Borrower to repay the Loan in full when due and/or observe or perform any part of the obligations, undertakings or agreements required to be observed or performed by them under this Agreement, the Note, the Loan Documents or any other document, instrument or agreements given to Lender in connection herewith or therewith.

8.2.4 No Injunction. No injunction, stay or restraining order shall be in effect prohibiting the consummation of the transactions contemplated by this Agreement.

8.2.5 Absence of Litigation. Except as disclosed in Exhibit F, no action, suit, investigation or proceeding shall have been commenced or threatened by any governmental agency or any other person, firm or entity against the Borrower and/or any of its or their affiliates, members, officers, managers or directors, with respect to their properties or with respect to the transactions contemplated

hereby, challenging the rights of the parties hereto to consummate such transactions of which could reasonably be expected to have a material adverse effect on the assets of the Borrower or the financial condition or results of operations of prospects of Borrower, or on the ability of the Borrower to observe or perform any obligation, undertaking or agreement required to be observed or performed by it under this Agreement, the Note, the Loan Documents or any other documents, instruments, certifications or agreements delivered to Lender in connection herewith or therewith.

8.2.6 All Proceedings to be Satisfactory. All action and other proceedings to be taken by Borrower in connection with this Agreement shall be reasonably satisfactory in form and substance to Lender and Lender's legal counsel.

SECTION 9 **Miscellaneous**

9.1 Liability of Lender. Lender shall in no event be responsible or liable to any person other than Borrower for the disbursement or failure to disburse the Loan Proceeds or any part thereof and neither the Contractor, Loan Monitor, nor any Subcontractor, Sub-subcontractor, laborer or material supplier, vendor or provider of services or seller of any commodities or cattle shall have any right or claim against Lender under this Agreement or other Loan Documents.

9.2 Waiver of Default. Lender may, by written notice to Borrower, at any time and from time to time, waive any default in the performance or observance of any condition, covenant or other term hereof, which shall be for such period and subject to such conditions as shall be specified in any such notice. In the case of any such waiver, Lender and/or Borrower, as may be appropriate, shall be restored to their former position and rights under this Agreement, the Note and the Loan Documents, and any Event of Default so waived shall be deemed to be cured and not continuing; however, no such waiver shall extend to or impair any right subsequent thereto or to any subsequent or other Event of Default.

9.3 Notices. Any Notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing. All such notices shall be delivered personally, by certified mail, return receipt requested, or by reputable overnight courier (in either case costs prepaid and addressed as provided herein), and shall be deemed given or made upon receipt thereof. All such notices are to be given or made to the parties at the following addresses (or to such other address as any party may designate by a notice given in accordance with the provisions of this Section):

If to Lender:	Joop Bollen SDIF Limited Partnership 6 416 Production Street North Aberdeen, SD 57401
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With a copy to: Jeffrey T. Sveen
Siegel, Barnett & Schutz, L.L.P.
400 Capital Building, 415 S. Main Street
P.O. Box 490
Aberdeen, South Dakota 57402-0490
jsveen@shslaw.net
(605) 226-1911 Fax

If to Borrower: David Palmer
Northern Beef Packers Limited Partnership
38749 135th Street
Aberdeen, South Dakota 57401

With a copy to: Rory King
Bantz, Gosch & Cremer, L.L.C.
305 Sixth Avenue SE
Aberdeen, South Dakota 57402

9.4 No Waiver; Cumulative Remedies. Lender shall not by any act be deemed to have waived any right or remedy hereunder. No failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. A waiver by Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided at law or in equity.

9.5 Survival of Agreements. All covenants, agreements, undertakings, obligations and all representations and warranties set forth or made herein shall survive delivery of the Note, the Loan Documents and the making of the Loan, and shall nevertheless remain in effect and be enforceable as between the parties and in accordance with their terms for the statute of limitations period applicable thereto.

9.6 Further Documents. Borrower agrees to do such further acts and things, and to execute, acknowledge and deliver such additional documents or instruments as Lender may at any time reasonably request in connection with the administration of this Agreement or related to the Note or the Loan Documents or in order to better assure and confirm to Lender its rights and powers hereunder and thereunder.

9.7 Binding Agreements; Assignments. This Agreement and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, trustees, receivers, administrators, and assigns, except that Borrower shall not be permitted to assign this Agreement or any interest herein or in the Loan Documents or the collateral, or any part thereof, as described herein and therein, or otherwise

pledge, encumber or grant any option with respect to the collateral governed by the Loan Documents, or any part thereof, except to the extent specifically permitted under the terms of the Loan Documents. Lender shall be entitled to sell or assign its interest or participation interest in the Loan with notice to Borrower.

9.8 Entire Agreement. This Agreement, the Note, the Loan Documents and any documents, instruments, or agreements given to the Lender by Borrower hereunder or thereunder represent the complete and exclusive agreements of the parties with respect to the subject matter hereof and thereof and replace and supersede any and all prior agreements or understandings, whether written or oral, with regard thereto and all negotiations leading up to their execution and delivery.

9.9 Amendment. Neither this Agreement nor any provisions thereof may be amended, modified, waived, discharged or terminated generally, except by an instrument in writing duly signed by or on behalf of Borrower and Lender.

9.10 Incorporation by Reference. Each of the recitals set forth at the beginning of this Agreement, all of the exhibits which are attached hereto and all of the documents and agreements referenced herein, specifically including, without limitation, the original Credit Agreement, except as amended herein, the Note and the Loan Documents, are incorporated herein by this reference with the same force and effect as if the same were set forth in the body of this Agreement in their entirety.

9.11 Interpretation. Any uncertainty or ambiguity existing herein shall not be interpreted against any party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally. The headings used in this Agreement are inserted for convenience and reference only and are not intended to be an integral part of or to affect the meaning or interpretation of this Agreement.

9.12 Severability. Provided the same would not deprive the Lender of the benefit of its bargain hereunder or thereunder, if any term or provision of this Agreement, or the Note, the Loan Documents or any other document or instrument executed in connection therewith, including amendments and modifications or the application thereof to any person or circumstance, shall to any extent be invalid or enforceable in any jurisdiction in which enforcement is sought, the terms and provisions or the application of such terms or provisions or the application of such terms or provisions to persons or circumstances shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction without invalidating the remaining provisions hereof, which shall nevertheless remain in force and be enforceable as among the parties hereto and any such prohibition or unenforceability shall not invalidate or render unenforceable such provisions in any other jurisdiction.

9.13 Time is of the Essence, Computation of Time. Time is of the essence with respect to every covenant, condition to be satisfied, and action to be taken hereunder, and the parties shall proceed accordingly with respect to every action necessary, proper or advisable to make effective the transactions contemplated by this Agreement. Whenever the last day for

the exercise of any privilege or the discharge of any duty hereunder shall fall upon any day which is not a business day, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding business day.

9.14 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of South Dakota. Any legal action or proceeding with respect to this Agreement or any document related hereto shall be brought only in the Fifth Judicial Circuit Court in Aberdeen, Brown County, South Dakota, or the United States District Court for the District of South Dakota, Northern Division, in Aberdeen, Brown County, South Dakota and, by execution and delivery of this Agreement, each party hereto hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including, without limitation, any *forum non conveniens*, which any of them may now or hereafter have to the bringing of such action or proceeding in such respective jurisdictions.

9.15 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 this 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 this 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.

9.16 No Warranty by Lender.

By accepting or approving anything required to be observed, performed or fulfilled by Borrower or to be given to Lender pursuant to this Agreement, including any certificate, Survey, receipt, appraisal or insurance policy, Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof and any such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Lender.

9.17 Standard of Conduct of Lender.

Nothing contained in this Agreement or any other Loan Document shall limit the right of Lender to exercise its business judgment or to act, in the context of the granting or withholding of any advance or consent under this Agreement or any other Loan Document, in a subjective manner, whether or not objectively reasonable under the circumstances, so long as Lender's exercise of its business judgment or action is made or undertaken in good faith. Borrower and Lender intend by the foregoing to set forth and affirm their entire understanding with respect to the standard pursuant to which Lender's duties and obligations are to be judged and the parameters within which Lender's

discretion may be exercised hereunder and under the other Loan Documents. As used herein, "good faith" means honesty in fact in the conduct and transaction concerned.

9.18 CREDIT AGREEMENT NOTICE. TO PROTECT BORROWER AND LENDER FROM ANY MISUNDERSTANDING OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING, OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

Signature on Following Page

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

NORTHERN BEEF PACKERS,
LIMITED PARTNERSHIP

By: [Signature]
Its: [Signature]
[Signature]

SDIF LIMITED PARTNERSHIP 6

By: _____
Its: _____

EXHIBIT A

REAL PROPERTY DESCRIPTION

PARCEL I: NBP Lagoon Lot I in the Southwest Quarter of Section 7, Township 122 North, Range 63 West of the 5th P.M., according to the plat thereof of record, Brown County, South Dakota.

PARCEL II: Blocks 1, 2, 3, 4, 5, and Lots 1, 2, and 3, Block 6, H & S First Subdivision in the North Half of Section 36, Township 123 North, Range 64 West of the 5th P.M., according to the plat thereof of record, Brown County, South Dakota.

EXHIBIT B

NOTE

EXHIBIT C

SUBORDINATED AND SHARED DEBT

Subordinated:

None

Shared Collateral Position:

None

Liens which are subordinated to Lender are currently:

MNDak Concrete, Inc.	\$ 500,826.60
Concrete Contractors, Inc.	\$3,702,000.00
Industrial Builders, Inc.	\$ 349,782.30
McNeil Refrigeration, Inc.	\$ 669,855.40
Dakota Supply Group, Inc.	\$ 54,049.04
Red Wilk Construction, Inc.	\$ 299,520.00
Hanlon Brothers	\$ 29,887.15
Pierce and Harris Engineering, Inc.	\$ 46,873.01
Artic Industries, Inc.	\$ 211,257.70
Fargo Tank & Steel Co.	\$ 132,982.83
Pugleasa Company, Inc.	\$ 154,925.65
Jensen Rock and Sand, Inc.	\$ 594,132.52

EXHIBIT D

COLLATERAL ASSIGNMENT

(1) all equipment, including, but not limited to livestock, machinery, furniture, furnishings, accounts receivables, supplies, cash, inventory, and vehicles, now owned or hereafter acquired, by Borrower, a South Dakota Limited Partnership, engaged in the operation of beef plant and other related ancillary structures, together with all accessions, parts, attachments, accessories, or appurtenances, or appertaining, attached, kept, used or intended for use, and all substitutions, improvements, replacements and additions; (2) all accounts and general intangibles, now existing or subsequently arising; (3) all interests of Borrower, now existing or subsequently arising, from the sale or rendition of services to its customers which give rise to any accounts or general intangibles now held or hereafter acquired; (4) all contract rights, now existing or subsequently arising; (5) all chattel paper, documents or instruments relating to accounts; (6) all fixtures now or hereafter affixed, attached or located on the real property described in the Mortgage of even date unless listed below as an exception; and (7) the proceeds, products and accessions of and to any and all of the foregoing.

EXHIBIT E
UNPAID TAXES
Current

EXHIBIT F
OUTSTANDING LITIGATION

Foreclosure action on a Mechanic's Lien of Scott Olson Digging's claim of \$2,100,000.

Foreclosure action by SD Contractors, Inc. v. NBP for a claim of approximately \$600,000.

EXHIBIT G

Definitions

Unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

“AAA” means the American Arbitration Association, or any successor thereof.

“Act” means the USA Patriot Act (Title III of Pub. L. 107-56 signed into law October 26, 2001)).

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Architect” means an architect reasonably approved by Lender, its successors and permitted assigns. Lender hereby approves of Mallot Creek Group, Inc. as an Architect.

“Architect's Contract” means any contract for architectural services relating to the development of the Land and/or the construction of the Improvements between Borrower and Architect, and approved in writing by Lender in its reasonable discretion, as the same may be amended from time to time with the prior written approval of Lender.

“Authorized Signer” means any signer of this Agreement, acting alone, or any other representative of Borrower duly designated and authorized by any Authorized Signer to sign draw requests in a writing addressed to Lender, which writing may include a draw request in the form attached hereto as Exhibit H.

“Borrower's Deposit Account” means an account established with a financial institution of Lender's choice and under the dominion and control of Lender.

“Budget” means the breakdown of hard costs and soft costs attached hereto as Exhibit I, as the same may be revised from time to time pursuant to the written recommendation of Architect, the Project Manager and the Loan Monitor and with the written approval of Lender.

“Business Day” means any day that is not a Saturday, Sunday or banking holiday in the State or the office in the city in which the Note is payable.

“Casualty” means any act or occurrence of any kind or nature that results in damage, loss or destruction to the Property.

“Claim” means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including fees, costs and expenses of attorneys, consultants, contractors and experts.

“Closing Date” means the date on which all of the conditions set forth on the Closing Checklist have been delivered or completed to the satisfaction of Lender.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means, collectively any and all assets and rights and interests in or to Property of the Borrower and each Guarantor, whether real or personal, tangible or intangible, on which any liens are granted or purported to be granted pursuant to any Security Document.

"Completion of Construction" means, with respect to the Construction of the Improvements, the satisfaction of all of the conditions set in the Credit Agreement..

"Condemnation" means any taking of title to, use of, or any other interest in the Property under the exercise of the power of condemnation or eminent domain, whether temporarily or permanently, by any Governmental Authority or by any other Person acting under or for the benefit of a Governmental Authority.

"Condemnation Awards" means any and all judgments, awards of damages (including severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

"Loan Monitor" means a person or firm appointed or designated by Lender from time to time to inspect the progress of the development of the Land, the construction of the Improvements and the conformity of construction with the Plans and Specifications, the Budget and the Project Schedule, and to perform such other acts and duties for such other purposes as Lender may from time to time deem appropriate or as may be required by the terms of this Agreement. The parties hereby agree that such Loan Monitor shall be chosen by Lender. Any reasonable fees or expenses paid to the Loan Monitor shall be reimbursed in full by Borrower.

"Construction Contract" means any contract for the development of the Land and/or the construction of the Improvements between Borrower and the Contractor or any other contractor, and approved in writing by Lender in its reasonable discretion, as the same may be amended from time to time with the prior written approval of Lender.

"Construction of the Improvements" means the development of the Land and/or the completion of the construction of the Improvements.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, "Controlling" or "Controlled" have meanings correlative thereto.

"Default" means an event or circumstance that, with the giving of Notice, if required pursuant to the Loan Documents, or lapse of time, or both, would constitute an Event of Default under the provisions of this Agreement.

"Deposit Account Control Agreement" means any Deposit Account Control Agreement or Account Control Agreement, if used, among the applicable financial institution at which deposit or securities accounts are maintained, by Borrower or, as the case may be, any Guarantor, and Lender, which agreement, *inter alia*, evidences the Lender's dominion and control over the applicable accounts and acknowledges Lender's security interest therein.

"Dispute" means any controversy, claim or dispute between or among the parties to this Agreement, including any such controversy, claim or dispute arising out of or relating to (a) this Agreement, (b) any other Loan Document, (c) any related agreements or instruments, or (d) the transaction contemplated herein or therein (including any claim based on or arising from an alleged personal injury or business tort).

"Environmental Agreement" means the Environmental Indemnification and Release Agreement of even date herewith by and between Borrower and Lender pertaining to the Property, as the same may from time to time be extended, amended, restated or otherwise modified.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" means any event or circumstance specified in Article VI and the continuance of such event or circumstance beyond the applicable grace and/or cure periods therefor, if any, set forth in Article VI.

"Expenses" means all fees, charges, costs and expenses of any reasonable nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by Lender in making, funding, administering or modifying the Loan, in negotiating or entering into any "workout" of the Loan, or in exercising or enforcing any rights, powers and remedies provided in the Mortgage or any of the other Loan Documents, including attorneys' fees, court costs, receiver's fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Property.

"Force Majeure" means strikes, lock-outs, war, civil disturbance, natural disaster, acts of terrorism or acts of God which cause a delay in Borrower's performance of an Obligation related to the work of construction; provided, however, that (a) Borrower must give Notice to Lender within ten (10) days after the occurrence of an event which it believes to constitute Force Majeure, (b) in no event shall Force Majeure extend the time for the performance of an Obligation by more than sixty (60) days, and (c) circumstances that can be remedied or mitigated through the payment of money shall not constitute Force Majeure hereunder to the extent such remedy or mitigation is deemed reasonable by Lender in its sole discretion.

"Funded Indebtedness" means, as of any date of determination, for the Borrower, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guarantees, surety bonds or similar instruments, (d) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower.

"Project Manager" means a Project Manager acceptable to Lender in its reasonable discretion and its successors and permitted assigns. Any contract with the Project Manager shall be submitted to Lender for Lender's approval.

"General Partner" means Northern Beef Packers Management L.L.C., a South Dakota limited liability company.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, service, district or other instrumentality of any governmental entity.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Improvements” means all on-site and off-site improvements to the Land for a beef slaughter and fabrication plant complex to be constructed on the Land including, without limitation, a 237,000 square foot processing building attached to a 51,000 square foot enclosed stockyard, a 48,418 square foot rendering and utility building connected to the processing building through an underground passage, and a concrete roadway entering the fenced site from 135th St. on the northwest side of the site that runs south behind the processing plant and east to the stockyard, together with all fixtures, equipment and appurtenances now or later to be located on the Land and/or in such improvements.

“Insurance Proceeds” means the insurance claims under and the proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to such Property, in each case whether now or hereafter existing or arising.

“Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) EBITDA for the prior fiscal quarter to (b) Interest Charges for such fiscal quarter.

“Land” means the land described in and encumbered by the Mortgage.

“Law” or “Laws” means all federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

“Loan” means, the loans from Lender to Borrower, the repayment obligations in connection with which are evidenced by the Note.

“Loan Amount” means up to Sixty Million and No/100 Dollars (\$60,000,000).

“Loan Documents” means this Agreement, the Note, the Mortgage, the Environmental Agreement, the Security Documents, any and all other documents which Borrower, Guarantor or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

“Loss Threshold” means Net Proceeds, the aggregate amount of which is less than \$250,000.

“Material Contracts” means those contracts and agreements described in this Agreement.

“Maturity Date” has the meaning set forth in the Note.

"Mortgage" means the Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Filing of even date herewith given by Borrower to Lender to secure the Obligations, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Net Proceeds," when used with respect to any Condemnation Awards or Insurance Proceeds, means the gross proceeds from any Condemnation or Casualty remaining after payment of all expenses, including attorneys' fees, incurred in the collection of such gross proceeds.

"Note" means the Note of even date herewith, in an amount equal to the Loan Amount, made by Borrower to the order of Lender, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Notice" means a notice, request, consent, demand or other communication given in accordance with the provisions of Section 9.3 of this Agreement.

"Obligations" means all present and future debts, obligations and liabilities of Borrower to Lender arising pursuant to, or on account of, the provisions of this Agreement, the Note or any of the other Loan Documents, including the obligations: (a) to pay all principal, interest, late charges, prepayment premiums (if any) and other amounts due at any time under the Note; (b) to pay all Expenses, indemnification payments, fees and other amounts due at any time under the Mortgage or any of the other Loan Documents, together with interest thereon as provided in the Mortgage or such Loan Document; and (c) to perform, observe and comply with all of the terms, covenants and conditions, expressed or implied, which Borrower is required to perform, observe or comply with pursuant to the terms of the Mortgage or any of the other Loan Documents.

"Organizational Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization; and, in each case, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Person" means an individual, a corporation, a partnership, a joint venture, a limited liability company, a trust, an unincorporated association, any Governmental Authority or any other entity.

"Plans and Specifications" means any and all plans and specifications prepared in connection with the development of the Land and/or the construction of the Improvements and approved in writing by Lender, as the same may from time to time be amended with the prior written approval of Lender not to be unreasonably withheld or delayed.

"Project Schedule" means the estimated schedule for commencement and completion of the development of the land and construction of the Improvements attached hereto as Exhibit L, as the same may be revised from time to time with the written approval of Lender.

"Property" means the real and personal property conveyed and encumbered by the Mortgage and the other Security Documents.

"Restricted Payment" means, in relation to Borrower, and (a) declaration or payment of any dividend on or in respect of any equity interest, the purchase, redemption, defeasance, retirement or other acquisition of any equity interest of Borrower, directly or indirectly, the return of capital by Borrower to any equity holder, or any other distribution on or in respect of any equity interest of Borrower or (b) payment or prepayment by Borrower to the Borrower's shareholders (or other equity holders) or any Affiliate of Borrower or any Guarantor.

"SDIF Limited Partnership 6" means, Lender.

"Security Documents" means, all Security Instruments executed and delivered to Lender on November 4, 2010 or from time to time thereafter by Borrower or Guarantor pursuant to any of the Loan Documents.

"Security Instrument" means any security agreement, assignment, pledge agreement, financing or other similar statement or notice, continuation statement, other agreement or Instrument, or any amendment or supplement to any thereof, creating, governing or providing for, evidencing or perfecting any security interest or lien.

"Senior Management Personnel" shall be defined as the CEO, CFO, Plant Manager, or any other employee of the Company who earns in excess of One Hundred Thousand Dollars (\$100,000) per year in either salary or bonus.

"Shareholders' Equity" means as of any date of determination, Shareholders' equity of the Borrower as of that date determined in accordance with GAAP.

"State" means the State of South Dakota.

"Survey" means a map or plat of survey of the Land which conforms with Lender's survey requirements set forth in the Closing Checklist and with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2005, and pursuant to the Accuracy Standards as adopted by ALTA and NSPS and in effect on the date when the Survey is certified to Lender in the form specified in the Closing Checklist.

"Tangible Net Worth" means as of any date determination, shareholders' equity of the Borrower on that date minus the intangible assets of Borrower on that date.

"Taxes" means all taxes, levies, imports, duties, deductions, withholdings, assessments, fees or other charges, whether general or special, ordinary or extraordinary, or foreseen or unforeseen, which at any time may be assessed, levied, confirmed or imposed by any Governmental Authority or any communities facilities or other private district on Borrower or on any of its properties or assets or any part thereof or in respect of any of its franchises, businesses, income or profits, including any interest, additions to or penalties applicable thereto.

"2010 Offering Memorandum" means the January 10, 2010 South Dakota Regional Center EB-5 Immigrant Investor Program Confidential Offering Memorandum with respect to Borrower.