

GRANT OF LICENSE

CIRCLE FOUR REALTY, a North Carolina general partnership authorized to do business in the State of Utah, GRANTOR, of P.O. Box 100, Milford, UT 84751, hereby GRANTS AND CONVEYS to DEAN S. CARTER and DONA I. CARTER, GRANTEES, of P.O. Box 245, Minersville, UT 84752, for the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration, a license in favor of Grantees to graze livestock, except swine, on the following described lands located in Iron County, State of Utah, subject to the restrictions of paragraphs 11.1 and 11.5 of that certain agreement entitled "Agreement for Purchase and Sale of Real Property" by and between Circle Four Realty, a general partnership, and Dean S. Carter and Dona I. Carter dated March 17, 1995. Paragraphs 11.1 and 11.5 read:

11.1. Under these circumstances, Circle Four shall have the right to designate 3000 acres of the southernmost 10,000 acres of the Cook Ranch that will remain in the exclusive use and possession of Circle Four. Circle Four shall be entitled to designate the remaining 7000 acres of the southerly 10,000 acres that it will use to provide spacing between its hog farm operations and on which Circle Four can establish whatever reasonable requirements are necessary to protect the health of the swine herd and integrity of its farming operations.

11.5. If Carter exercises the option to purchase, Carter and his heirs and assigns shall also have the exclusive perpetual right to graze cattle on the remaining 7000 acres of the Circle Four portion of the Cook Ranch not designated as part of the 3000 acres under Section 11.1 above. In the event Circle Four needs the use of any portion of the 7000 acres because of a compelling business need in connection with its operations, it shall be entitled to replace Carter's grazing rights on the 7000 acres with grazing rights on similar property within its Iron/Beaver County operation, subject to the good faith approval of both parties. The exchange shall be based on equivalent AUMs. Upon the death of Dean Carter, Circle Four shall have the option to purchase from his heirs [Dean S. and Dona I.] Carters' grazing rights hereunder. The purchase price shall be the fair market value of said grazing rights. Carter shall maintain title to the grazing rights so that if this option is exercised by Circle Four, it shall receive the grazing rights back free and clear of any claim by any other party.

The provisions of paragraphs 11.1 and 11.5 are further modified by an amendment dated December 28, 1995 which states:

9. MODIFICATION OF GRAZING RIGHTS PROVISIONS. The provisions of paragraph 11.1 and 11.5 and other relevant provisions of the Agreement pertaining to grazing are modified as follow:

9.1. Circle Four has not identified the specific properties to be exempt from the grazing privileges to be provided to Carters under paragraphs 11.1 and 11.5 of the Agreement. Paragraphs 11.1 and 11.5 of the Agreement are hereby modified to provide that Circle Four shall grant a general license to Carters to graze cattle on 7,000 acres of the land described in Exhibit "B" hereto, with the form of the license instruments to be as provided in Paragraph 6.3 of this Amendment. The specific 7,000 acres to which the license shall apply have not yet been determined. Circle Four shall be entitled to unilaterally modify that license to specify the land subject to that license at any time, strictly in accordance with the following:

9.1.1. Circle Four may at any time designate any portion of the land described in Exhibit "B" hereto, up to 3116.25 acres thereof, to be excluded from the license to graze cattle to be granted to Carters under paragraph 11.5 of the Agreement. Circle Four may make such designation in one or more designations of all or any part of said 3116.25 acres until the full 3116.25 acres have been designated. Such designation shall be by:

- A. Written notice to Carters, or
- B. Construction of improvements on land to be included within that designation, or
- C. Enclosing such land within fences or other suitable enclosure, or
- D. Conveyance of that land to another party or entity as evidenced by a recorded instrument; or
- E. Any other means approved by Carters in writing.

9.1.2. Upon identification of the full 3116.25 acres by Circle Four, Circle Four may, after ten (10) days written notice to Carters or Carters' successors, record a license in substantially the form of the instruments attached as Exhibit "B" specifically describing the acreage that is subject to the license.

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9.2. Carters shall have only such use of the up to 3116.25 acres to which the license does not apply as Circle Four may permit by lease or other arrangement. Any use of the up to 3116.25 acres by Carters shall be deemed a permissive use and shall not result in any prescriptive easement, adverse possession or any other interest other than that specifically granted by Circle Four.

9.3. Once Circle Four has designated the 3116.25 acres to be excluded from Carters' grazing license, Carters shall have the right to lease any portion of the 3116.25 acres not utilized by Circle Four for its hog production operations or related business uses. The term "related business uses" shall not be deemed to include lease of such lands to a third party for grazing use, except as provided in this Paragraph. If Circle Four determines, in its sole discretion, that a portion of the 3116.25 is available for lease, it shall notify Carters and furnish a written form of lease. Carters shall then have 30 days in which to execute the lease on the portion of the 3116.25 acres made available for lease. The lease shall be on these terms:

9.3.1. The lease shall be for an initial term of one year. The first lease shall begin January 1, 1996, whether or not a written lease has been signed as provided herein.

9.3.2. If Circle Four chooses to lease portions of the 3116.25 acres after the initial one year term, the lease shall be renewable by Carters for such additional term or terms of one year, or such additional terms as Carters and Circle Four may agree upon, for such portions of the 3116.25 acres as Circle Four chooses to lease, in its sole discretion.

9.3.3. The lease shall be for the number of animal unit months (AUMs) assigned to the leased portion by the United States Department of Interior Bureau of Land Management (BLM) or any other governmental agency that assumes administration of the grazing permits currently administered by BLM, or the number of AUMs agreed upon between the parties. The rental amount shall be the market rate for rental of private AUMs at the time the lease is signed, multiplied by the number of AUMs assigned to the portion of the 3116.25 acres leased.

9.3.4. If Carters fail to execute the lease within 30 days after delivery of the form of lease by Circle Four, Circle Four shall be entitled to lease the portion of the 3116.25 acres to any other

partly, but only on the same terms or more restrictive terms than those offered to Carter.

The lands affected by the licensed granted hereby are located in Iron County, Utah and are described as follow:

PARCEL 1: Lots 5, 6, 11 and 12 of Section 4 and Lots 7, 8, 9 and 10 of Section 5, Township 31 South, Range 13 West, Salt Lake Base & Meridian

EXCEPTING THEREFROM Beginning at the West quarter corner of Section 4, Township 31 South, Range 13 West, Salt Lake Base & Meridian and running thence South 89°57'49" East along the quarter section line 660 feet; thence North 00°07'45" West 660 feet; thence North 89°57'49" West 660 feet; thence South 00°07'45" East along the section line 660 feet to the point of beginning.

PARCEL 2: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; the East half of the southwest quarter and the southeast quarter of Section 6, Township 31 South, Range 13 West, Salt Lake Base & Meridian.

EXCEPTING THEREFROM Beginning at a point South 89°58'17" West along the quarter section line 983.0 feet from the East quarter corner of Section 6, Township 31 South, Range 13 West, Salt Lake Base & Meridian and running thence South 00°01'43" East 367 feet; thence South 89°58'17" West 660 feet; thence North 00°01'43" West 660 feet; thence North 89°58'17" East 660 feet; thence North 89°01'43" East 293 feet to the point of beginning.

PARCEL 3: All of Sections 7 and 30; the East half of Section 18; all of Section 19, (LESS THE NORTH 1500.64 FEET OF THE NORTHWEST QUARTER); the West half of Section 20; the West half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section 29, Township 31 South, Range 13 West, Salt Lake Base & Meridian.

EXCEPTING THEREFROM beginning at a point North 00°04'42" West along the section line 1283 feet from the East quarter corner of Section 18, Township 31 South, Range 13 West, Salt Lake Base & Meridian and running thence South 89°55'18" West 660 feet; thence North 00°04'42" West 660 feet; thence North 89°55'18" East 660 feet to the section line; thence South 00°04'42" East along the section line 660 feet to the point of beginning and an easement for the benefit of the

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described parcel for access by livestock, other than swine, and for ingress and egress to the described parcel from the nearest public roadway.

PARCEL 4: The East half of Section 10, Township 31 South, Range 13 West, Salt Lake Base and Meridian.

PARCEL 5: All of Sections 1 and 25, Township 31 South, Range 14 West, Salt Lake Base and Meridian.

The license granted hereby shall include only the right to use of the surface as is necessary to enjoy the use of said license for the purposes as set out herein.

IN WITNESS WHEREOF, Grantor caused this Grant of License to be executed in its name by its authorized agent on this 28th day of December, 1995.


CIRCLE FOUR:

SMITHFIELD OF UTAH, INC., as a general partner of Circle Four Realty, a partnership

By: [Signature]
ROBERT G. ADAMS
Authorized Agent

STATE OF UTAH)
) : ss.
COUNTY OF BEAVER)

On the 28th day of December, 1995, personally appeared before me ROBERT G. ADAMS, who, being by me duly sworn, did say, that he, the said ROBERT G. ADAMS is the authorized agent of Smithfield of Utah, Inc., and that the within and foregoing instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors and the said ROBERT G. ADAMS duly acknowledged to me that said corporation executed the same as a partner of Circle Four Realty, a partnership.

 Notary Public
MICHAEL F. DALTON
860 North 100 West
Beaver, Utah 84713
My Commission Expires
October 10, 1997
State of Utah

[Signature]
Notary Public