

[Beaver, Millard, and Iron Counties, UT]

**DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES**

by

**Circle Four Corporation
as Grantor**

in favor of

**Warren H. Peterson, Esquire
as Trustee**

for the benefit of

**First Union National Bank,
as Beneficiary**

Dated as of October 27, 1999

Prepared by:
David W. Gossett, Esquire
Nexsen Pruet Jacobs & Pollard
P. O. Drawer 10648
Greenville, SC 29603

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DIXIE B MATHESON - IRON COUNTY RECORDER
1999 NOV 05 15:57 PM FEE \$235.00 BY PTC
REQUEST: COMMERCIAL TITLE GROUP LTD

**RETURN TO:
COMMERCIAL TITLE GROUP, LTD.
8605 WESTWOOD CENTER DR., SUITE 401
VIENNA, VA 22182
CASE NO. 10336**

**DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES**

THIS DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES, dated as of October 27, 1999 (this "*Deed of Trust*"), by Circle Four Corporation, a North Carolina corporation, having a place of business and a mailing address at 341 South Main, Milford, Utah 84751 ("*Grantor*"), to Warren H. Peterson, resident of the City of Delta, State of Utah (the "*Trustee*"), for the benefit of **First Union National Bank**, a national banking association having a place of business and a mailing address at 10 State House Square, Hartford, Connecticut 06103, as security trustee ("*Beneficiary*"), under the Trust Agreement, dated to be effective on even date herewith, between Grantor, Beneficiary and others (as may be amended from time to time, the "*Trust Agreement*").

WITNESSETH:

WHEREAS, Smithfield Foods, Inc. ("*Seller*") has entered into those certain Note Purchase Agreements, dated as of October 15, 1999 (collectively, the "*Note Purchase Agreement*") with the purchasers listed on Annex I attached hereto and made a part hereof (collectively, the "*Noteholders*") pursuant to which Seller issued and sold to the Purchasers, each as more particularly described in the Note Purchase Agreement, an aggregate principal amount of \$225,000,000 in secured promissory notes as more particularly described on Schedule B attached hereto and made a part hereof (collectively, the "*Notes*"); and

WHEREAS, the Notes, the Note Purchase Agreement, the Trust Agreement, this Deed of Trust, the Security Agreements, the Environmental Indemnification Agreements dated as of October 15, 1999 between certain Guarantors and Beneficiary, the guaranty of the Guarantors, any pledge agreements, any other mortgages, deeds of trust or any other instruments, documents or agreements evidencing, securing or relating now or hereafter evidencing or securing all or any part of the Indebtedness (as hereinafter defined), the Notes or otherwise governing the responsibilities of Seller or Grantor in connection with said Indebtedness or in connection with the Property (as hereinafter defined) or any other security for the said Indebtedness are herein referred to, collectively, as the "*Financing Documents*;" and

WHEREAS, to induce the Noteholders to purchase and accept the Notes, Grantor and the parties listed on Schedule C attached hereto and made a part hereof (Grantor and such parties, collectively, the "*Guarantors*") have agreed to execute and deliver one or more Guaranty Agreements dated as of even date herewith (as amended from time to time, the "*Guaranties*") pursuant to which Guarantors, have agreed irrevocably, unconditionally, absolutely, jointly and severally, to guarantee, on a continuing basis, to each Noteholder, as and for Seller's debt, the due and punctual payment by Seller of the principal of, and interest on, and the Make-Whole Amount (as defined in the Note Purchase Agreement), if any, with respect to, the Notes; and

WHEREAS, as a further inducement to the Noteholders to purchase and accept the Notes, Grantor has agreed to execute and deliver this Deed of Trust to Trustee for the benefit of Beneficiary for the benefit of the Noteholders pursuant to the Trust Agreement, to secure the Indebtedness; and

WHEREAS, Grantor being a wholly-owned subsidiary of Seller, will enjoy economic benefits, directly and indirectly, as a result of the purchase of the Notes by the Noteholders and, further, the Noteholders would be unwilling to purchase the Notes except for the agreements of the Grantor contained herein.

NOW, THEREFORE, to further secure payment of the Indebtedness and for and in consideration of the sum of one dollar (\$1.00) paid to Grantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor has bargained, sold, given, granted, conveyed and assigned, and does by these presents bargain, sell, give, grant, convey and assign, to Trustee, its successors and assigns, with general warranty and English

covenants of title, the following:

THE PROPERTY

(A) The land described in *Exhibit A* attached hereto, incorporated herein and made a part hereof (the "Land"), being certain and located in Beaver, Iron, and Millard Counties, Utah, and all trees, shrubbery, crops and other plantings now or hereafter grown on the Land and all Water Assets (as hereinafter defined) related to the Land and otherwise owned by Grantor, such Water Assets as more particularly described in *Rider A* attached hereto the terms of which are hereby incorporated into and made a part of this Deed of Trust;

(B) **TOGETHER WITH** (1) all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land (collectively, the "Buildings"), (2) all right, title and interest of Grantor, of whatever character (whether as owner, chattel lessee or otherwise, whether vested or contingent and whether now owned or hereafter acquired), in and to all building materials, supplies and other property (other than inventory) now or hereafter stored at or delivered to the Land or any other location for installation in or on the Land or any of the Buildings, and all fixtures, fittings, machinery, appliances, equipment (including, without limitation, farm equipment), apparatus, furnishings and personal property of every nature whatsoever (other than inventory) now or hereafter located in or on, or attached to, and used or intended to be used in connection with the Land, any of the Buildings or any business or other operations now or hereafter conducted in or on the Land or any of the Buildings or in connection with any construction or other work now or hereafter conducted in or on the Land or any of the Buildings (all of the property described in this clause (2) being collectively referred to in this Deed of Trust as the "Equipment") (the Buildings and the Equipment being collectively referred to in this Deed of Trust as the "Improvements"), (3) any and all oil, gas and other minerals now or hereafter produced from or allocated to the Land, if any, and any and all products now or hereafter processed or obtained from any such oil, gas or other minerals, if any, and (4) any and all plans, specifications, drawings, books, records and similar items now or hereafter relating to the Land and or the Improvements, the operation thereof, any rights thereto or any interest therein;

(C) **TOGETHER WITH** all proceeds, products, extensions, additions, improvements, betterments, renewals, substitutions, replacements, accessions, accretions and relictions of and to all or any part of the property described in paragraphs (A) and (B) hereof or any other property encumbered by this Deed of Trust;

(D) **TOGETHER WITH** all right, title and interest of Grantor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to (1) all streets, roads and public places (whether open or proposed) now or hereafter adjoining or otherwise providing access to the Land, (2) the land lying in the bed of such streets, roads and public places, and (3) all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land now or hereafter adjoining or used or intended to be used in connection with all or any part of the property described in paragraphs (A), (B) and (C) hereof;

(E) **TOGETHER WITH** all easements, rights-of-way and rights of use or passage (whether public or private), estates, interests, benefits, powers, rights (including, without limitation, any and all lateral support, drainage, slope, riparian, littoral, sewer, water, air, oil, gas, mineral and subsurface rights), privileges, claims, franchises, licenses, profits, rents, royalties, tenements, hereditaments, reversions, remainders and appurtenances of every nature whatsoever in any way now or hereafter belonging, relating or appertaining to all or any part of the property described in paragraphs (A), (B), (C) and (D) hereof;

(F) **TOGETHER WITH** (1) any and all judgments, settlements, claims, awards, insurance proceeds and other proceeds and compensation, and any interest thereon (collectively referred to in this paragraph as "compensation"), now or hereafter made or payable in connection with (a) any casualty or other damage to all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof, (b) any condemnation proceedings affecting any such property or any rights thereto or any interest therein (to the full extent permitted by law), (c) any damage to or taking of any such

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property or any rights thereto or any interest therein arising from or otherwise relating to any exercise of the power of eminent domain (including, without limitation, any and all compensation for change of grade of streets or any other injury to or decrease in the value of any such property), or (d) any conveyance in lieu of or under threat of any such taking, (2) any and all proceeds of any sale, assignment or other disposition of any such property or any rights thereto or any interest therein, (3) any and all proceeds of any other conversion (whether voluntary or involuntary) of any such property or any rights thereto or any interest therein into cash or any liquidated claim, (4) any and all refunds and rebates of or with respect to any Insurance Premium (as hereinafter defined), any Imposition (as hereinafter defined) or any charge for utilities now or hereafter relating to any such property (including, without limitation, any and all refunds and rebates of or with respect to any deposit or prepayment relating to any such Insurance Premium, Imposition or charge), and any interest thereon, whether now or hereafter payable or accruing, and (5) any and all option rights, contract rights, general intangibles, permits, licenses, approvals, bonuses, actions and rights in action now or hereafter arising from or relating to any such property (including, without limitation, all rights of Grantor in and to insurance proceeds, all rights of Grantor in and to unearned or prepaid Insurance Premiums, Impositions or other charges for utilities, and any deposits with respect thereto and any interest thereon, and all rights of Grantor in and to any and all contracts and bonds relating to operation, maintenance, construction, renovation, restoration, repair, management or security of any such property);

(G) **TOGETHER WITH** all rents, royalties, issues, profits, revenues, income and other benefits of and from all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof or any business or other operations conducted in or on any such property by or on behalf of or for the benefit of Grantor, whether now or hereafter payable or accruing (including, without limitation, any and all money and other consideration paid or payable from time to time by any and all tenants, licensees, invitees, guests, customers, occupants or other users of any such property, business or operations), and all rights of Grantor or any other person to collect and receive the same; *provided, however,* that permission is hereby given to Grantor, so long as no Event of Default (as hereinafter defined) shall have occurred, to collect and use such rents, royalties, issues, profits, revenues, income and other benefits as, but not before, they become due and payable, which permission shall terminate immediately, without the necessity of any action by Beneficiary or by Trustee, upon the occurrence of any Event of Default;

(H) **TOGETHER WITH** (1) all right, title and interest of Grantor (whether as seller, purchaser or otherwise) in and to any and all agreements now or hereafter relating to any purchase and sale or other transfer of all or any part of the property described in paragraphs (A), (B), (C), (D), (E), (F) and (G) hereof (whether or not such purchase and sale or other transfer shall be completed), together with any and all down payments, earnest money deposits and other security (whether monetary or otherwise) paid or payable or deposited or to be deposited in connection with any such agreement, and (2) all right, title and interest of Grantor (whether as lessor, lessee or otherwise) in and to any and all leases, subleases, use, occupancy and similar agreements (including, without limitation, oil, gas and mining leases) now or hereafter relating to all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof (each being referred to in this paragraph as a "*lease*"), together with any and all guaranties and security of, for or otherwise relating to any such lease (including, without limitation, cash, security deposits, advance rentals, deposits and payments of a similar nature under any such lease or under any other arrangement entered into in connection with any such lease, any and all interest thereon, and any and all right, title and interest of Grantor in and to property of any tenant or other person, whether such right, title and interest shall have arisen under applicable law or under any such lease or other arrangement) and together with all rent and other consideration (whether monetary or otherwise) now or hereafter payable or accruing under or in connection with any such lease (including, without limitation, any and all cancellation or termination payments and any and all damages payable in connection with any default), subject, however, to the conditional permission given to Grantor to collect and use the rents, royalties, issues, profits, revenues, income and other benefits arising under any such lease as provided above; and

(I) **TOGETHER WITH** any and all further or greater estate, right, title, interest, claim and demand of Grantor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto.

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All of the property described in paragraphs (A), (B), (C), (D), (E), (F), (G), (H) and (I) above, and each item of property therein described, is collectively referred to in this Deed of Trust as the "Property."

THIS DEED OF TRUST IS GIVEN TO SECURE all of the following indebtedness, sums, debts, obligations and liabilities (collectively referred to herein as the "Indebtedness"):

(a) all of Seller's obligations and indebtedness under and pursuant to the Note Purchase Agreement including, without limitation, any and all sums required to be paid by Seller from time to time in respect of the indebtedness evidenced by the Notes, and all parts of such indebtedness (whether consisting of principal, interest, premium (including, without limitation, all Make-Whole Amounts), charges or any other sums), and all other sums payable pursuant to the other Financing Documents;

(b) all of each Guarantors' obligations and indebtedness under and pursuant to its respective Guaranty, including, without limitation, any and all sums required to be paid by such Guarantor from time to time in respect of the indebtedness evidenced by the Notes, and all parts of such indebtedness (whether consisting of principal, interest, premium (including, without limitation, all Make-Whole Amount), charges or any other sums), and all other sums payable pursuant to the other Financing Documents; and

(c) the full, faithful and punctual performance and observance of, and compliance with, all of the obligations, covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with pursuant to this Deed of Trust and the other Financing Documents by Seller and Grantor.

TO HAVE AND TO HOLD the Property unto Trustee, its successors and assigns, in fee simple, forever, **IN TRUST, WITH POWER OF SALE**, for the benefit of Beneficiary, as security trustee for the benefit of the Noteholders pursuant to the Trust Agreement, upon the terms and conditions and for the uses set forth in this Deed of Trust;

PROVIDED, HOWEVER, that, if Seller and/or Grantor or any one or more Guarantor(s) shall pay, or cause to be paid, the Indebtedness, and if Grantor shall keep, perform, observe and comply with, or shall cause to be kept, performed, observed and complied with, all of the aforesaid covenants, agreements, conditions and provisions, and if Grantor shall cause any and all other debts, obligations and liabilities secured by this Deed of Trust to be paid and satisfied in full, then this Deed of Trust and the grants, conveyances and assignments herein contained shall become null and void and may be cancelled of record at the request and at the expense of Grantor, but otherwise shall remain in full force and effect. Notwithstanding anything herein to the contrary, the obligations of the Grantor under Section 1.16 hereof shall survive the termination of this Deed of Trust and the full satisfaction of the other obligations evidenced by or set forth in the other Financing Documents.

GRANTOR COVENANTS AND AGREES with Trustee and Beneficiary as follows:

ARTICLE ONE

COVENANTS OF GRANTOR

Section 1.01. Performance of Obligations. Grantor shall pay and satisfy, or cause to be paid and satisfied, the Indebtedness and all parts thereof, and shall keep, perform, observe and comply with, or shall cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions required to be kept, performed, observed and complied with by or on behalf of Grantor from time to time pursuant to this Deed of Trust, Grantor's Guaranty and the Financing Documents.

Section 1.02. General Representations, Covenants and Warranties. Grantor fully warrants and will forever defend the title to the Property against the claims of all persons whomsoever claiming or who may claim the same or any part thereof, subject to the matters described in Schedule D attached hereto and made a part hereof, (the "**Permitted Exceptions**"). Grantor further warrants, represents and covenants that: (a) subject only to the Permitted Exceptions, Grantor is seized of an indefeasible estate in fee simple in and to the Land, the Buildings and all other parts of the Property constituting real property; (b) subject only to the Permitted Exceptions, Grantor has good and absolute title to the Equipment and all other parts of the Property constituting personal property, except Equipment owned by any person (other than Grantor) and leased to Grantor or to any person leasing space in any of the Buildings; (c) Grantor has good right, full power and lawful authority, without the joinder or consent of any person, to bargain, sell, give, grant, pledge and assign the Property pursuant to and as provided in this Deed of Trust; (d) the Property is free and clear of any and all liens, security interests, charges, encumbrances and claims of other persons, of any kind whatsoever, other than the Permitted Exceptions; (e) Grantor will maintain and preserve the lien of this Deed of Trust until the Indebtedness shall have been fully, finally and indefeasibly paid; (f) all costs incurred prior to the Closing Date (as defined in the Note Purchase Agreement) in connection with any construction of, in or on any Improvements or in connection with the purchase of any Equipment have been paid in full; and (g) Grantor is not a "foreign person" within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended, or any other pertinent provision of said Code.

Section 1.03. Compliance with Laws.

(a) Grantor warrants and represents that the Property and the use thereof presently comply, and at all times hereafter shall comply, with all applicable agreements and restrictive covenants and with all applicable federal, state, and local laws, ordinances, rules, regulations, orders, judgments, injunctions and decrees (including, without limitation, all zoning and subdivision ordinances and building codes and all health and environmental laws and regulations), the failure with which to comply could have a Material Adverse Effect (as defined in the Note Purchase Agreement). Grantor further warrants and represents that all licenses, permits, approvals and authorizations required in connection with the current ownership, use and operation of the Property have been duly obtained and are in effect, and at all times hereafter shall be obtained and maintained in effect, except for permits the failure with which to obtain or comply could not have a Material Adverse Effect.

(b) Grantor warrants and represents that, except as set forth on Part 2.14(b) of Annex 3 to the Note Purchase Agreement, (i) the Property is not under investigation with respect to, and is not, and has not been in violation of, any Environmental Law (as hereinafter defined), (ii) no proceedings have been commenced against, nor notice received by, Grantor concerning any alleged violation of any Environmental Law, (iii) the Property is not and, to the best of Grantor's knowledge and belief, has not been the subject of any threatened, proposed or actual cleanup or other protective, removal or remedial action relating to any Hazardous Substances (as hereinafter defined), whether pursuant to any Environmental Law or otherwise, (iv) there are no Hazardous Substances in, on, under or about the Property except for such substances required in or resulting from the normal operation of Grantor's business which presence has not had and could not be expected to have a Material Adverse Effect, (v) no release, discharge, spillage, seepage or filtration of any Hazardous Substances is occurring or, to the best of Grantor's knowledge and belief, has occurred in, on, under, about or from the Property except for the discharge or spillage of such substances required in or resulting from the normal operation of Grantor's business which discharge and spillage has not had and could not be expected to have an adverse effect on the Property, and (vi) the Property is not being used and, to the best of Grantor's knowledge and belief, has not been used for any generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use or disposal of any Hazardous Substances in, on, under, about or from the Property except for the handling, use, discharge or emission of such substances required in or resulting from the normal operation of Grantor's business which handling, use, discharge or emission has not had and could not be expected to have an adverse effect on the Property.

(c) Grantor shall at all times be in compliance with, and shall not permit itself or the Property to be subject to any liability under, any Environmental Law. Grantor shall not cause, permit or suffer the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of any Hazardous Substances, in, on, under, about or from all or any part of the Property except for the handling, use, discharge or emission of such substances required in or resulting from the normal operation of Grantor's business so long as such handling, use, discharge or emission would not have an adverse effect on the Property.

(d) As used in this Deed of Trust, (i) the term "Environmental Law" shall mean and refer to any federal, state, county, regional or local law, statute, or regulation (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act, all amendments to any of the foregoing and all rules and regulations issued in connection therewith) enacted in connection with or relating to the protection or regulation of the environment, including, without limitation, those laws, statutes, and regulations regulating the disposal, removal, production, storing, refining, handling, transporting, processing, or transporting of Hazardous Substances, and any regulations, issued or promulgated in connection with such statutes by any governmental authority and any orders, decrees or judgments issued by any court of competent jurisdiction in connection with any of the foregoing and (ii) the term "Hazardous Substances" shall mean and refer to any and all pollutants, contaminants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, radon gas, urea formaldehyde foam insulation, polychlorinated biphenyls, radioactive materials, petroleum and petroleum derivatives and by-products).

Section 1.04. Discharge of Liens.

If any mechanic's, laborer's, materialman's, statutory or other lien (other than any lien for taxes not yet due and payable or any lien for taxes being contested and remaining unpaid in accordance with Section 1.05) shall be filed or otherwise imposed upon or against all or any part of the Property, then Grantor shall, within thirty (30) days after being given notice of the filing of such lien or otherwise becoming aware of the imposition of such lien, cause such lien to be vacated or discharged or record by payment, deposit, final order of a court of competent jurisdiction or otherwise. If any such lien not filed of record as of the date hereof shall not be vacated or discharged, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but shall not be obligated to, discharge such lien in such manner as Beneficiary may select, and Beneficiary shall be entitled, if Beneficiary shall so elect, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of any judgment in favor of such lienor with interest, costs and allowances. Upon request by Beneficiary, Grantor shall pay to Beneficiary, or to any other person designated by Beneficiary, the amount of all payments made by Beneficiary or by Trustee as provided above and all costs, expenses and liabilities (including, without limitation, attorneys' fees) incurred by Beneficiary, Trustee or any Noteholder in connection therewith, together with interest thereon at the rate per annum ("Default Rate") of the lesser of (y) the highest rate allowed by applicable law, or (y) twelve and seven-fifths percent (12.75%) from the date paid or incurred by Beneficiary, Trustee or such Noteholder until the date so paid to, or as directed by, Beneficiary. Such amounts so paid or incurred by Beneficiary, Trustee or such Noteholder shall be deemed indebtedness secured hereby until paid in full.

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Section 1.05. Taxes Affecting Property.

(a) Grantor shall pay or cause to be paid, on or before the last day when they may be paid without interest or penalty (except to the extent otherwise provided in paragraph (b) of this Section), all taxes, assessments, rates, dues, charges, fees, levies, excises, duties, fines, impositions, liabilities, obligations and encumbrances (including, without limitation, water and sewer rents and charges, charges for setting or repairing meters and charges for other utilities or services), general or special, ordinary or extraordinary, foreseen or unforeseen, of every kind whatsoever, now or hereafter imposed, levied or assessed by any public or quasi-public authority or instrumentality upon or against all or any part of the Property or the use, occupancy or possession thereof, or upon or against this Deed of Trust, the Indebtedness or the interest of Beneficiary or Trustee in the Property, as well as all income taxes, assessments and other governmental charges imposed, levied or assessed upon or against Grantor or in respect of all or any part of the Property, and any and all interest, costs and penalties on or with respect to any of the foregoing (collectively, the "Impositions"). Upon request by Beneficiary, Grantor shall deliver to Beneficiary original receipts or other satisfactory proof of payment of any and all Impositions.

(b) After prior written notice to Beneficiary, Grantor shall have the right, at its sole expense, to contest the validity, applicability or amount, in whole or in part, of any asserted Imposition and to seek a reduction in the valuation of all or any part of the Property as assessed for tax purposes, by appropriate proceedings diligently conducted in good faith to final determination, in which event payment of the asserted Imposition may be postponed if, and only so long as:

(i) Grantor shall have paid any minimum amount required by applicable law to be paid in connection with such contest (which payment may be made under protest if required or permitted by applicable law);

(ii) neither Beneficiary nor Trustee nor any Noteholder would, in Beneficiary's reasonable judgment, be in danger of being subjected to any liability, penalty or charge of any kind in connection with such contest or in connection with such postponement or nonpayment;

(iii) neither the Property nor any part thereof or any interest therein would, in Beneficiary's reasonable judgment, be in danger of being forfeited or lost by reason of such contest or by reason of such postponement or nonpayment (whether due to the foreclosure of any lien securing any asserted Imposition or otherwise); and

(iv) if an Event of Default shall then exist and be continuing or the unpaid amount of the asserted Imposition exceeds \$500,000, Grantor shall have established an escrow acceptable to Beneficiary in an amount estimated by Beneficiary (as directed by the Noteholders) to be adequate to cover (A) the unpaid amount of the asserted Imposition, (B) all interest, penalties and similar charges which reasonably can be expected to accrue by reason of such contest or by reason of such postponement or nonpayment, and (C) all costs, fees and expenses (including, without limitation, attorneys' fees) which reasonably can be expected to be incurred in connection therewith by Beneficiary, Trustee or any Noteholder, which escrow shall be maintained in effect throughout such contest and the amount of which shall be increased from time to time if required by Beneficiary.

(c) Upon termination of any such contest (whether by entry of a final judgment or otherwise), or at any time during the course of any such contest when the conditions permitting postponement of payment of the asserted Imposition shall no longer be satisfied or shall be discovered to have not been satisfied, Grantor shall pay the then-unpaid portion of such asserted Imposition, together with all interest, penalties and similar charges and all costs, fees and expenses (including, without limitation, attorneys' fees) incurred in connection

therewith. At Beneficiary's option, the escrow established pursuant to paragraph (b) of this Section may be applied at such time to payment of all or any part of such Imposition, interest, penalties, charges, costs, fees and expenses. In the event no escrow is established pursuant to paragraph (b), for whatever reason, Beneficiary may, at his option, pay all or any part of such Imposition(s), interest, penalties, charges, costs, fees and expenses. Any Impositions and related costs so paid by Beneficiary shall be deemed Indebtedness secured hereby (provided, however, this subsection by Beneficiary and until paid shall be deemed Indebtedness secured hereby (provided, however, this subsection (c) in no way obligates Beneficiary to pay any Impositions or related costs on behalf of Grantor). Upon payment of the full amount of such asserted Imposition and such interest, penalties, charges, costs, fees and expenses, Grantor shall deliver to Beneficiary evidence of such payment reasonably satisfactory to Beneficiary. Thereafter, the amount then remaining in the escrow established pursuant to paragraph (b) of this Section shall be returned to Grantor.

(d) Grantor shall not claim, demand or be entitled to receive any reduction of, or credit toward, any Impositions on account of the Indebtedness. No deduction shall be claimed from the taxable value of all or any part of the Property by reason of the Indebtedness, any of the Financing Documents or the interest of Beneficiary in the Property.

Section 1.06. Taxes Affecting Beneficiary's or Trustee's Interest.

(a) If existing laws or procedures governing the taxation of mortgages, deeds of trust or debts secured by mortgages or deeds of trust shall be changed in any manner after the date hereof so as to impair the security of this Deed of Trust or to reduce the net income to any one or more of the Noteholders in respect of the Indebtedness, then, upon request by Beneficiary, Grantor shall pay to Beneficiary or to the taxing authority (if so directed by Beneficiary), all taxes, charges and related costs for which Trustee, Beneficiary or any one or more of the Noteholders may be liable as a result thereof; *provided, however*, that, if payment by Grantor of any such taxes, charges or related costs shall (in Beneficiary's reasonable opinion as directed by the Noteholders) be prohibited by applicable law or (in Beneficiary's reasonable opinion as directed by the Noteholders) would subject Trustee, Beneficiary or any one or more of the Noteholders to any liability, penalty or charge of any kind or would render the Notes usurious, then, in any such event, Grantor shall not make such payment, and the entire balance of the Indebtedness, without notice, shall be due and payable forthwith at the option of Beneficiary.

(b) Grantor shall pay, when due, any and all recording, intangible property and documentary stamp taxes, all similar taxes, and all filing, registration and recording fees, which are now or hereafter may become payable in connection with the Indebtedness, this Deed of Trust or any of the other Financing Documents. Grantor shall pay when due any and all excise, transfer and conveyance taxes which are now or hereafter may become payable in connection with the Indebtedness, this Deed of Trust or any of the other Financing Documents, or in connection with any foreclosure of this Deed of Trust, any sale pursuant to the power of sale provided under this Deed of Trust, any other transfer of all or any part of the Property in extinguishment of all or any part of the Indebtedness or any other enforcement of Beneficiary's rights with respect thereto.

Section 1.07. Insurance.

(a) Grantor, at its sole expense, shall obtain for, deliver to, assign to and maintain for the benefit of Beneficiary, for so long as this Deed of Trust shall remain in effect, insurance policies (including renewals as provided below) in such amounts as Beneficiary reasonably may require (as directed by the Noteholders), insuring the Property against all insurable hazards, casualties and contingencies (including, without limitation, business interruption) as Beneficiary may reasonably require (as directed by the Noteholders). Grantor shall pay all premiums on such insurance policies and all other fees and charges payable in connection with such

insurance policies (such premiums, fees and charges being collectively referred to in this Deed of Trust as "*Insurance Premium(s)*") not later than the due date thereof. During the progress of any construction, renovation, restoration or repair in or on the Property, Grantor shall maintain, or require its contractors to maintain, such insurance in builder's risk, completed value, non-reporting form, with permission to complete and occupy, together with workers' compensation coverage. All such policies shall be issued by a company or companies acceptable to Beneficiary, shall be in form acceptable to Beneficiary and shall contain such provisions and endorsements as Beneficiary may require. Without limiting the generality of the foregoing, each such policy shall contain a noncontributory standard mortgagee endorsement making all losses payable to Beneficiary, shall provide that no act or omission of Grantor shall invalidate such policy as against Beneficiary and shall provide that such policy shall not be cancelled, terminated, denied renewal or materially altered without at least thirty (30) days prior written notice to Beneficiary (or at least fifteen (15) days prior written notice to Beneficiary in the case of any cancellation for nonpayment of any Insurance Premiums). All such policies shall be delivered to and held by Beneficiary. At least five (5) days prior to the expiration date of each such policy, a certificate evidencing renewal of such policy satisfactory to Beneficiary shall be delivered to Beneficiary. Within forty five (45) days after the effective date of each such policy (including each such renewal), Grantor shall deliver to Beneficiary a satisfactory receipt evidencing the prepayment of all Insurance Premiums relating to such policy for a period of at least one (1) year. In the event of any foreclosure of this Deed of Trust, any sale pursuant to the power of sale provided under this Deed of Trust or any other transfer of all or any part of the Property in extinguishment of all or any part of the Indebtedness, all right, title and interest of Grantor in and to all such policies then in force shall pass to the purchaser or grantee. Beneficiary's acceptance or approval of any insurer or of any insurance coverage shall not be construed as a representation, warranty or agreement concerning the financial capability or reliability of such insurer or concerning the adequacy of such coverage for any purpose other than compliance with the requirements of this Section, and none of Beneficiary, Trustee or any of Noteholders shall not be responsible or accountable to Grantor or any other person for the selection of any such insurer or any such coverage.

(b) In the event of any casualty or other loss of the type covered (or which should have been covered) by any insurance policy relating to all or any part of the Property, which, together with all such casualties or other losses occurring within the preceding twelve months, exceeds \$250,000, Grantor shall immediately give written notice of such loss to Beneficiary. Thereafter, Grantor shall cooperate with Beneficiary in any evaluation of the nature and extent of such loss that Beneficiary may desire to conduct, and Grantor shall promptly provide to Beneficiary such information concerning such loss as Beneficiary may request.

(1) So long as no Event of Default shall have occurred and be continuing, Grantor shall be authorized to make proof of loss and to negotiate, compromise and settle all insurance claims and demands with respect of any such casualty or other loss; provided, however, that any such compromise and settlement of any such claims or demands shall be subject to the review and written consent of Beneficiary, which consent shall not be unreasonably withheld. Grantor agrees to take such action and to request such changes in the terms of any proposed compromise and/or settlement as Beneficiary may reasonably request provided that any such changes are consistent with the terms and requirements of this Deed of Trust.

(2) If an Event of Default shall have occurred and be continuing, or if, in Beneficiary's reasonable estimation, Grantor shall not have made proof of loss promptly after the occurrence of any such casualty or loss, Beneficiary shall be authorized to make such proof of loss with respect to any such casualty or loss and to negotiate, compromise and settle all insurance claims and demands in respect of such casualty or loss and, in furtherance thereof, Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor, at Beneficiary's option, to adjust, compromise and/or settle any such loss, which

(c) Except for insurance proceeds attributable to the destruction of inventory, Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor to collect and receive all insurance proceeds in respect of any such casualty or loss and to give proper receipts and acquittances therefor except that Grantor shall be entitled to receive all insurance proceeds in respect of any casualty or loss, together with all such casualties or other losses occurring within the preceding twelve months, in an aggregate amount for all such losses not in excess of \$1,000,000 so long as no Event of Default shall then exist or be continuing. Each insurance company issuing any such policy is hereby irrevocably authorized and directed to pay all proceeds in respect of any such loss (whether or not Beneficiary shall have exercised its option to adjust or compromise such loss) directly to Beneficiary alone, and not to Grantor and Beneficiary jointly. Grantor shall immediately pay over to Beneficiary any such proceeds received directly from any insurance company or from any other person. Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor to endorse Grantor's name on any instrument in payment of any such proceeds, which appointment shall be deemed to be coupled with an interest. Although Beneficiary intends to use reasonable efforts to collect such proceeds in a timely fashion, Beneficiary shall not be responsible for any failure to collect any such proceeds, regardless of the cause of such failure. After any such loss, Grantor shall continue to pay interest, at the applicable rate and at the times provided in the Notes, on the entire outstanding principal amount of the Indebtedness. Unless otherwise directed by the Noteholders, all insurance proceeds received by Beneficiary shall, until used or applied as provided herein (including, without limitation, as provided in paragraph (d) below), be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and shall be deposited by Beneficiary under such general conditions as may be prescribed by law in a general interest bearing trust account maintained by Beneficiary.

(d) After Beneficiary deducts from such proceeds any reasonable expenses (including, without limitation, attorneys' fees) incurred by Beneficiary, Trustee or any Noteholder in the adjustment, compromise and/or settlement of the loss to which such proceeds relate or in the collection or handling of such proceeds, Grantor shall have the option of requesting that Beneficiary (i) make such net proceeds available to Grantor from time to time, subject to the terms of this paragraph, for the purpose of restoring or repairing the Improvements or building new Improvements in their place or (ii) apply such net proceeds to reduce the Indebtedness evidenced by the Notes, in such manner as Beneficiary may determine; provided, however, that if Grantor does not make such election within thirty (30) days after the date Beneficiary receives such insurance proceeds, Grantor shall be conclusively presumed to have elected to apply such net proceeds to reduction of the Indebtedness evidenced by the Notes as aforesaid and Beneficiary shall be authorized to so apply such proceeds. In the event Grantor requests that Beneficiary make such net proceeds available to Grantor for the purposes of restoring or repairing damaged Improvements or building new Improvements as aforesaid, the plans and specifications for such restorations, repairs or construction shall be subject to Beneficiary's review and approval as provided in Section 1.10 of this Deed of Trust and any disbursements of such net proceeds shall be subject to such conditions and requirements of construction loan proceeds for work substantially similar to that contemplated by such restoration, repair or construction, all as Beneficiary may reasonably determine. For the purposes herein, the term "net proceeds" shall include all interest earned thereon.

(e) Grantor, at its sole expense, shall obtain for, deliver to and maintain for the benefit of Beneficiary, for so long as this Deed of Trust shall remain in effect, liability insurance policies relating to the Property, in such amounts, with such companies and in such form as Beneficiary may reasonably require. Each Beneficiary shall contain an endorsement or other provision, in form satisfactory to Beneficiary, naming Beneficiary as an additional insured under such policy. Grantor shall pay all Insurance Premiums on such insurance policies and all other fees and charges payable in connection with such insurance policies not later than

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the due date thereof, shall provide that no act or omission of Grantor shall invalidate such policy as against Beneficiary and shall provide that such policy shall not be cancelled, terminated, denied renewal or materially altered without at least thirty (30) days prior written notice to Beneficiary (or at least fifteen (15) days prior written notice to Beneficiary in the case of any cancellation for nonpayment of any Insurance Premiums). All such policies shall be delivered to and held by Beneficiary. At least five (5) days prior to the expiration date of each such policy, a certificate evidencing renewal of such policy satisfactory to Beneficiary shall be delivered to Beneficiary. Within forty five (45) days after the effective date of each such policy (including each such renewal), Grantor shall deliver to Beneficiary a satisfactory receipt evidencing the prepayment of all Insurance Premiums relating to such policy for a period of at least one (1) year.

(f) Grantor shall not carry, and shall not cause, permit or suffer to be carried, any additional or separate insurance concurrent in form or contributing in the event of loss with any insurance required to be maintained pursuant to this Deed of Trust, or in excess of the amounts of insurance coverage required to be maintained pursuant to this Deed of Trust, unless such insurance shall comply with the provisions of this Section (including, without limitation, the loss payable provisions set forth above). Grantor shall immediately notify Beneficiary if any such additional, separate or excess insurance shall be carried and, promptly thereafter, shall deliver to Beneficiary duplicate originals of all policies of such insurance (including all renewals thereof).

Section 1.08. Deposits.

(a) In order to assure compliance with Grantor's obligations under Section 1.05 and Section 1.07, but not in lieu of such obligations, Grantor shall pay to Beneficiary, if requested by Beneficiary upon the occurrence of an Event of Default, with each regularly scheduled payment under the Note (or at such other time or times as Beneficiary may request), an amount equal to (i) one-twelfth (1/12) of the annual Impositions or Insurance Premiums, or both, next becoming due and payable (as estimated or determined by Beneficiary), multiplied by (ii) the number of calendar months (and partial calendar months) elapsed since the most recent date to which such Impositions or Insurance Premiums (as the case may be) then have been paid. In addition, upon request by Beneficiary, Grantor shall pay to Beneficiary such additional funds as Beneficiary may estimate or determine to be necessary to enable Beneficiary to pay any Impositions or Insurance Premiums then due and payable or to pay, when due, any or all of the Impositions or Insurance Premiums next becoming due and payable after the date of such request.

(b) No deposits paid to Beneficiary pursuant to this Section shall be deemed to be trust funds with respect to Grantor, and any and all such deposits may be commingled with the general funds of Beneficiary. Neither Beneficiary nor Trustee shall be required to pay interest in respect of any such deposits unless otherwise required under the Trust Agreement or applicable law. Grantor shall deliver to Beneficiary, promptly after the receipt thereof, all bills for Impositions and Insurance Premiums for which Beneficiary shall have collected, or shall be collecting, deposits pursuant to this Section. Grantor also shall deliver to Beneficiary, promptly after the receipt thereof, required, any and all other documents and instruments that may be required to enable Beneficiary to pay such Impositions and Insurance Premiums when due if Beneficiary has or is in the process of collecting deposits therefore pursuant to this Section. In paying any Imposition or Insurance Premium, Beneficiary shall be entitled to rely upon any certificate, advice or bill from any authority (or any official thereof) or from any other person to which such Imposition or Insurance Premium may be payable, and Beneficiary shall have no duty to inquire as to the validity or accuracy of any such certificate, advice or bill. Upon the occurrence of any Event of Default, Beneficiary, at its option, may apply all or any part of any such deposits then remaining to Grantor's credit, in such manner as Beneficiary may determine, to reduce the Indebtedness then outstanding in accordance with Section 3.7 of the Trust Agreement.

(c) Nothing contained in this Section shall be deemed to affect any right, power or remedy of

Beneficiary, under any provision of this Deed of Trust or under any statute or rule of law, to pay any amount required to be paid by Section 1.07, to add the amount so paid to the Indebtedness and to require Grantor to reimburse Beneficiary for such amount, together with interest thereon at the Default Rate from the date so paid until the date so reimbursed. Although Beneficiary intends to use reasonable efforts to make payments in a timely fashion with any deposits collected pursuant to this Section, the arrangements described in this Section are solely for the added protection of Beneficiary and shall entail no responsibility on Beneficiary's part beyond the allowing of due credit, without interest, for deposits actually received by Beneficiary. In the event of any transfer of Grantor's right, title and interest in or to all or any part of the Property, Beneficiary shall be entitled to treat such transfer as also effecting an assignment to the transferee of all right, title and interest of Grantor in and to any and all such deposits which relate to the transferred portion of the Property (subject, however, to the rights of Beneficiary under this Deed of Trust). After any assignment by Beneficiary of its interest in this Deed of Trust, any such deposits on hand shall be turned over to the assignee or returned to Grantor, and all responsibility of Beneficiary with respect to such deposits shall terminate.

Section 1.09. Condemnation.

(a) Beneficiary shall be entitled to collect and receive all compensation, awards, damages, claims, rights of action, proceeds, payment and other relief (collectively, "Compensation"), of, or on account of, any condemnation proceedings affecting all or any part of the Property or any damage to or taking of all or any part of the Property in connection with any exercise of the power of eminent domain (or any conveyance in lieu of or under threat of any such taking), including, without limitation, any and all Compensation for change of grade of streets or any other injury to or decrease in the value of all or any part of the Property. All such Compensation, and the right thereto, is hereby assigned to Beneficiary (to the full extent permitted by law) and included in the Property. Grantor shall promptly execute and deliver to Beneficiary such further documents and instruments as may be requested by Beneficiary to confirm such assignment. Grantor shall take all steps needed to assure that such Compensation shall be paid to Beneficiary alone, and not to Grantor and Beneficiary jointly, and that such Compensation at all times shall be free and clear of any and all liens, security interests, charges and encumbrances of any kind whatsoever. Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor to endorse Grantor's name on any instrument in payment of any such Compensation, which appointment shall be deemed to be coupled with an interest. Although Beneficiary intends to use reasonable efforts to collect such Compensation in a timely fashion, Beneficiary shall not be responsible for any failure to collect any such Compensation, regardless of the cause of such failure. After any such condemnation, damage or taking, Grantor shall continue to pay interest, at the applicable rate and at the times provided in the Note, on the entire outstanding principal amount of the Indebtedness.

(b) So long as no Event of Default shall have occurred and be continuing, Grantor shall be authorized to commence, appear in and prosecute in its own name any action or proceeding relating to any condemnation or exercise of the power of eminent domain, to settle or compromise any claim in connection therewith; provided, however, that any such proposed settlement or compromise shall be subject to the review and written consent of Beneficiary, which consent shall not be unreasonably withheld. Grantor agrees to take such action and to request such changes in the terms of any such settlement or compromise as Beneficiary may reasonably request provided that any such changes are consistent with the terms and requirements of this Deed of Trust and are permissible under applicable law. If Grantor shall so commence, appear in and prosecute any such action or proceeding, or if Beneficiary shall not elect to conduct any such action or proceeding as provided below, then Grantor, at its sole expense, shall prosecute such action or proceeding diligently and in good faith and shall consult with Beneficiary and keep Beneficiary fully informed in connection therewith, and Beneficiary shall have the right, at Beneficiary's option, to participate in any such action or proceeding. Grantor shall promptly deliver to Beneficiary any and all documents, instruments and authorizations which

Beneficiary may request to enable Beneficiary to take any such action.

(ii) If an Event of Default shall have occurred and be continuing, Beneficiary shall be authorized, at its option, to commence, appear in and prosecute in its own or Grantor's name any action or proceeding relating to any condemnation or exercise of the power of eminent domain, to settle or compromise any claim in connection therewith, and, in furtherance thereof, Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor, at Beneficiary's option, to adjust, settle or compromise any claim in connection therewith, to collect and receive Compensation with respect thereto and to give proper receipts and acquittances therefor, which appointment shall be deemed to be coupled with an interest.

(c) Unless otherwise directed by the Noteholders, all Compensation received by Beneficiary shall, until used or applied as provided herein, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and shall be deposited by Beneficiary under such general conditions as may be prescribed by law in a general interest bearing trust account maintained by Beneficiary. After deducting from such Compensation any expenses (including, without limitation, attorneys' fees) incurred by Beneficiary, Trustee or any Noteholder in connection with any action, proceeding or claim referred to in this Section or in connection with the collection of such Compensation, Beneficiary may release all or any part of such net Compensation to Grantor without affecting the lien of this Deed of Trust as security for the full Indebtedness secured by this Deed of Trust before such payment to Grantor took place (which release may be made subject to such terms and conditions as Beneficiary may require), or Beneficiary may apply all or any part of such net Compensation, in such manner as Beneficiary may determine, to reduce the Indebtedness then outstanding.

Section 1.10. Care and Management of Property.

(a) Grantor shall preserve and maintain the Property in good, safe, lawful and tenantable condition and repair and shall cause all necessary repairs, replacements and improvements to be made as and when the need therefor shall arise or as may be required by applicable law. Grantor shall not threaten, cause, permit or suffer (i) any abandonment, waste, impairment or deterioration of all or any part of the Property, (ii) the conduct of any nuisance in or on all or any part of the Property, or (iii) any act or omission that would increase the risk of fire or other hazard to all or any part of the Property or would violate the terms of any insurance on the Property. Grantor shall pay or cause to be paid, when due, all charges for utilities, whether public or private, serving or intended to serve all or any part of the Property.

(b) Beneficiary may enter upon and inspect the Property at any reasonable time while this Deed of Trust is in effect, and Grantor shall provide reasonable cooperation to Beneficiary in connection therewith. Any such entry and inspection may include, at Beneficiary's option, the conduct of any environmental surveys or environmental inspections that Beneficiary may reasonably determine to be necessary or desirable. Grantor agrees to reimburse Beneficiary for all reasonable fees, costs and expenses incurred by Beneficiary in connection with any such environmental survey or inspection promptly upon request therefor by Beneficiary.

(c) If all or any part of the Property shall be physically damaged or destroyed by casualty, condemnation or any other cause, then Grantor shall immediately give written notice of such damage or destruction to Beneficiary. Thereafter, Grantor shall promptly commence and diligently pursue to completion the restoration or repair of the Property to the equivalent of its condition immediately prior to such damage or destruction (or, in the case of any condemnation, to such condition as shall be reasonably satisfactory to Beneficiary), whether or not there shall be any insurance proceeds or Compensation therefor.

(d) In the event that any work required to be performed pursuant to this Section is reasonably

expected to equal or exceed \$1,000,000, Beneficiary shall have the option to require that no such work be undertaken until plans and specifications for such work, prepared and signed by an architect or engineer satisfactory to Beneficiary and approved by all governmental authorities whose approval is required, have been submitted to and approved in writing by Beneficiary.

(e) No part of the Improvements shall be removed, demolished or materially altered, without the prior written consent of Beneficiary other than in the ordinary course of business. Notwithstanding the foregoing, Grantor shall have the right, without the consent of Beneficiary, to remove and dispose of, free from the lien of this Deed of Trust, items of Equipment which shall have become worn out or obsolete; *provided, however, that, either simultaneously with or prior to such removal or disposition, each such item shall be replaced with another item or items of equal utility and of a value at least equal to that of the replaced item when first acquired, which item or items shall be owned by Grantor and shall be free from any lien, security interest, charge, encumbrance, ownership interest or other right or claim of any other person. By such removal and replacement, Grantor shall be conclusively deemed to have elected to subject said replacement item to the lien of this Deed of Trust.*

Section 1.11. Use of Property.

(a) The Property shall be used as and for a pork slaughter and processing facility, and/or as pork production facilities, and for no other purpose. Grantor shall not declare, advertise or market all or any part of the Property as an existing or proposed condominium, cooperative or other common interest community.

(b) Grantor shall not, without the prior written consent of Beneficiary, (i) request or otherwise initiate, consent to or acquiesce in any zoning classification or reclassification of all or any part of the Property or the adoption, issuance, imposition or amendment of any other law, rule, regulation, order, judgment, injunction or decree relating to the use, occupancy, operation, development or disposition of all or any part of the Property, except in the course of the furtherance of Grantor's business activities, (ii) request or otherwise initiate, consent to or acquiesce in the annexation of all or any part of the Property by or into any municipality or other governmental or quasi-governmental unit, or (iii) execute, file or record any subdivision plat affecting all or any part of the Property or request or otherwise initiate, consent to or acquiesce in any subdivision of all or any part of the Property.

(c) Grantor shall not, except in the ordinary course of business, without the prior written consent of Beneficiary, (i) enter into, consent to or otherwise cause, permit or suffer all or any part of the Property to become subject to any covenant, agreement or other arrangement restricting or limiting the use, occupancy, operation, development or disposition of all or any part of the Property, (ii) execute, file or record any map, plat or replat affecting all or any part of the Property, or (iii) except for the Permitted Exceptions and as otherwise specifically permitted pursuant to this Deed of Trust, grant with respect to all or any part of the Property, or otherwise cause, permit or suffer all or any part of the Property to become subject to, any easement, right-of-way, privilege, claim, franchise, license or profit or any other estate, interest, benefit, power or right.

(d) Grantor shall not cause, permit or suffer all or any part of the Property to be used by the public without restriction or in any manner that might tend to impair Grantor's right, title and interest in and to all or any part of the Property or in any manner that might make possible any claim of adverse usage or adverse possession by the public or any claim of implied dedication of all or any part of the Property.

(e) If, pursuant to any law, ordinance, rule, regulation, order, judgment, injunction or decree, the existing or any future use, occupancy or operation of all or any part of the Property is or shall be permitted

only so long as such use, occupancy or operation shall continue, then Grantor shall not cause, permit or suffer such use, occupancy or operation to be discontinued without the prior written consent of Beneficiary.

Section 1.12. Leases.

(a) All leases hereafter entered into with respect to all or any part of the Property, and all rights of the tenants thereunder, shall be subject and subordinate to this Deed of Trust. Grantor shall keep, perform, observe and comply with its obligations as landlord under all leases now or hereafter affecting all or any part of the Property, and Grantor shall use reasonable efforts to require the tenant under each such lease to keep, perform, observe and comply with its obligations as tenant under such lease. Upon request by Beneficiary, Grantor shall deliver to Beneficiary accurate and complete original or certified copies of all such leases and all amendments thereto.

(b) The assignment set forth in paragraph (H) of the section of this Deed of Trust entitled "The Property" shall not be deemed to impose upon Beneficiary, Trustee or any Noteholder any of the obligations, duties or liabilities of Grantor under or in respect of any Lease (including, without limitation, any liability resulting from the termination of any lease and the tenant's rights thereunder in connection with any foreclosure of this Deed of Trust, any sale pursuant to the power of sale provided under this Deed of Trust or any other transfer of all or any part of the Property in extinguishment of all or any part of the Indebtedness). Upon request by Beneficiary, Grantor shall assign to Beneficiary or (if so directed by Beneficiary) to Trustee, as additional security for the Indebtedness, by a written document approved by Beneficiary, all right, title and interest of Grantor in and to any and all leases now or hereafter affecting all or any part of the Property, together with any and all guaranties and security of, for or otherwise relating to such leases and all rent and other money payable or accruing under or in connection with such leases, subject to the conditional permission given to Grantor to collect and use the rents, royalties, issues, profits, revenues, income and other benefits arising under such leases as provided above.

(c) The assignment set forth in paragraph (G) of the section of this Deed of Trust entitled "The Property" shall, to the extent permitted by law, constitute an absolute and present assignment of the rents, royalties, issues, profits, revenues, income and other benefits described in said paragraph, subject, however, to the conditional permission given to Grantor to collect and use the same as provided in said paragraph. Neither the existence nor the exercise of such conditional permission shall subordinate such assignment to any subsequent assignment by Grantor, and all such subsequent assignments shall be subject to the rights of Beneficiary and the rights of Trustee under this Deed of Trust (the reference to subsequent assignments herein in no way authorizes Grantor to make any such assignments without the prior consent of Beneficiary). The assignment set forth in paragraph (G) shall be fully operative without any further action by Grantor, Beneficiary or Trustee. Beneficiary is hereby irrevocably authorized and empowered, at its option, to demand, collect, receive and enforce payment of any and all such rents, royalties, issues, profits, revenues, income and other benefits after the occurrence of any Event of Default, and to give receipts, releases and satisfactions therefor, whether or not Beneficiary or Trustee shall have taken, or at any time shall take, possession of the Land, the Buildings or any other part of the Property. Beneficiary is hereby irrevocably authorized to notify all tenants, licensees, invitees, guests, customers, occupants and other users of all or any part of the Property of Beneficiary's and Trustee's rights under this Section and under paragraphs (G) and (H).

Section 1.13. Security Agreement and Fixture Filing.

(a) Grantor (as Debtor) hereby grants to Beneficiary (as Creditor and Secured Party), in order to secure the Indebtedness, a security interest in all personal property, building materials, Equipment and fixtures described in the section of this Deed of Trust entitled "The Property," and in any and all other tangible personal property and fixtures now or hereafter constituting part of the Property. All references in this Deed of Trust to the lien of this Deed of Trust shall be deemed to refer also to the aforesaid security interest. In addition to all rights and remedies specified in this Deed of Trust, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial Code of Utah and under other applicable law.

(b) This Deed of Trust, when filed for record in the real estate records of the County Recorder of the County in which the Land is situated, shall be effective as a financing statement filed as a fixture filing with respect to all fixtures described in the section of this Deed of Trust entitled "The Property." This Deed of Trust, when so filed for record, also shall be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the Utah Uniform Commercial Code § 70A-9-402. A carbon, photographic or other reproduction of this Deed of Trust or any financing statement relating to this Deed of Trust shall be sufficient to be effective as a financing statement.

(c) Without limiting the generality of the foregoing, this Deed of Trust is to be recorded in the land records in the jurisdictions where the Land is located. In that regard the following information is provided:

Name of Debtor: Circle Four Corporation

Address: c/o Smithfield Foods, Inc.
200 Commerce Street
Smithfield, Virginia 23430

Name of Secured Party: First Union National Bank

Address: 10 State House Square
Hartford, Connecticut 06103

Name of Record Owner: Circle Four Corporation

(d) See *Rider A* attached hereto and made a part hereof.

Section 1.14. After-Acquired Property. To the extent permitted by law, the lien of this Deed of Trust shall attach automatically, without the necessity of any action by Grantor or any other person, to all right, title and interest of Grantor in and to any and all after-acquired property of the character or type described in the section of this Deed of Trust entitled "The Property." Grantor shall promptly execute and deliver to Beneficiary such documents and instruments as may be requested by Beneficiary to confirm such lien and record/file any documents as deemed necessary by Beneficiary in the applicable real property or uniform commercial code records. Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor to execute all such documents and instruments on behalf of Grantor, which appointment shall be deemed to be coupled with an interest.

Section 1.15. Further Assurances. Upon request by Beneficiary, Grantor shall make, execute and deliver to Beneficiary or to any other person designated by Beneficiary (or shall cause to be made, executed and delivered to Beneficiary or to any such other person) any and all further mortgages, deeds of trust, assignments, security agreements,

financing statements, instruments of further assurance, notices, certificates and other documents that Beneficiary may consider necessary or desirable to correct any errors in or omissions from any of the Financing Documents or to effectuate, complete, perfect, continue or preserve the obligations of Grantor under the Financing Documents, the lien of this Deed of Trust upon all or any part of the Property or any other rights or interests of Beneficiary or Trustee under this Deed of Trust. Upon any failure by Grantor to do so, in addition to its other rights and remedies under this Deed of Trust, Beneficiary is hereby irrevocably authorized to make, execute and deliver any and all such mortgages, deeds of trust, assignments, security agreements, financing statements, instruments, notices, certificates and documents for and in the name of Grantor. Beneficiary is hereby irrevocably authorized to record, file, re-record or refile, at such times and in such offices and places as Beneficiary may consider necessary or desirable, any or all of the Financing Documents and any or all such mortgages, deeds of trust, assignments, security agreements, financing statements, instruments, notices, certificates and documents. Grantor hereby irrevocably authorizes and appoints Beneficiary the agent and attorney-in-fact of Grantor to take all actions authorized by this Section, which appointment shall be deemed to be coupled with an interest.

Section 1.16. Expenses and Indemnification.

(a) Grantor shall pay, when due and payable, and upon request by Beneficiary shall reimburse Beneficiary, Trustee and each of the Noteholders (as the case may be) for, all appraisal fees, filing and recording fees, taxes, brokerage fees and commissions, abstract and search fees, title insurance fees and premiums, escrow fees, attorneys' fees, court costs, fees of inspecting architect(s) and engineer(s) and all other reasonable costs and expenses which have been incurred by Beneficiary, Trustee or any Noteholder, or which may be incurred by any of the Noteholders, Beneficiary or Trustee after the date hereof, in connection with any or all of the following: (i) issuance by any one or more of the Noteholder's of a commitment to purchase the Notes; (ii) preparation, execution and recording of the Financing Documents; (iii) purchase of the Notes; (iv) preparation for enforcement of this Deed of Trust or any of the other Financing Documents after the occurrence of any Event of Default or any state of facts which, with notice or the passage of time, or both, would constitute an Event of Default if not cured or corrected, whether or not any suit or other action shall be commenced or undertaken; (v) enforcement or attempted enforcement of this Deed of Trust or any of the other Financing Documents; (vi) court or administrative proceedings of any kind to which Beneficiary, Trustee or any Noteholder may become a party, whether as plaintiff, defendant or otherwise, by reason of the Indebtedness or any of the Financing Documents (including, without limitation, all attorneys' fees, court costs and other expenses incurred in consultation, litigation and bankruptcy or administrative proceedings and all appeals therefrom) arising as a consequence of any act, error or omission of Grantor; (vii) defending and upholding the lien of this Deed of Trust or otherwise defending or asserting any rights or claims of Beneficiary, Trustee or any Noteholder under this Deed of Trust or under any of the other Financing Documents; (viii) preparation for, and actions taken in connection with, Beneficiary's or Trustee's taking possession of all or any part of the Property; (ix) communications and negotiations with Grantor, any Guarantor or any of their respective officers, employees, agents, contractors, attorneys or other representatives in connection with the existence or cure of any Event of Default or any state of facts which, with notice or the passage of time, or both, would constitute an Event of Default if not cured or corrected; (x) preparation for, and actions taken in connection with, the prevention or cure by Beneficiary of any Event of Default or any state of facts which, with notice or the passage of time, or both, would constitute an Event of Default if not cured or corrected; (xi) any prepayment or proposed prepayment of all or any part of the Indebtedness; (xii) any refinancing or payment of the entire Indebtedness or any proposed refinancing or payment of the entire Indebtedness; (xiii) any actual or proposed release, satisfaction, discharge or other extinguishment of this Deed of Trust or any of the other Financing Documents; (xiv) any transfer or proposed transfer of all or any part of the Property in lieu of foreclosure; (xv) any consent or approval (whether conditional or unconditional) or any withholding of consent or approval to any matter for which Beneficiary's consent or approval is required pursuant to any of the Financing Documents or pursuant to any law or judicial decision; or (xvi) any casualty, condemnation, or any court or administrative proceedings associated therewith.

(b) Grantor shall indemnify and hold Beneficiary, Trustee, each of the Noteholders and each of the respective officers, directors, shareholders, employees, agents and attorneys of the foregoing (each of the foregoing herein referred to as an "Indemnified Party") harmless from and against, and shall reimburse each of the Indemnified Parties for, any and all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses (including, without limitation, attorneys' fees) which may be imposed upon, asserted against, or incurred or paid by any or all of the Indemnified Parties by reason of, on account of or in connection with any or all of the following: (i) any bodily injury, death or property damage occurring in or on or in the vicinity of the Property through any cause whatsoever; (ii) any act performed or omitted to be performed under any of the Financing Documents; (iii) any transaction, suit, action or proceeding arising out of or in any way connected with the Property, any of the Financing Documents or the Indebtedness, and attributable to any act, error or omission of Grantor; (iv) the exercise of any rights or remedies of Beneficiary under this Deed of Trust or any other Financing Documents (including, without limitation, any actions contemplated by Article Two hereof); (v) the breach of any warranty or representation set forth in any of the Financing Documents; or (vi) the breach of any warranty or representation set forth in Section 1.03 hereof, any violation or alleged violation of any Environmental Law, the presence of any Hazardous Substances in, on, under or about all or any part of the Property, any actual or threatened release, discharge, spillage, seepage or filtration of any Hazardous Substances in, on, under, about or from the Property, the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use or disposal of any Hazardous Substances in, on, under, about or from all or any part of the Property, or any threatened, proposed or actual cleanup or other protective, removal or remedial action relating to any Hazardous Substances, whether pursuant to any Environmental Law or otherwise. The obligations and liability of Grantor with respect to the matters set forth in this paragraph (b) shall survive the foreclosure of this Deed of Trust, any sale pursuant to the power of sale provided under this Deed of Trust, any other transfer of all or any part of the Property in extinguishment of all or any part of the Indebtedness and any payment, release, satisfaction, discharge or other extinguishment of this Deed of Trust and benefit each of the Indemnified Parties, their respective affiliates and their respective successors or assigns.

Section 1.17. Security for Advances. All money advanced by any of the Noteholders, Beneficiary or Trustee pursuant to this Deed of Trust, all money otherwise advanced by any of the Noteholders, Beneficiary or Trustee to protect the security of this Deed of Trust and all costs, expenses and liabilities paid or incurred by any of the Noteholders, Beneficiary or Trustee as provided in this Deed of Trust or as otherwise permitted by law.

Section 1.18. Transfer or Further Encumbrance of the Property. In the event of any sale, conveyance, transfer, pledge or further encumbrance, by operation of law or otherwise, of all or any part of the Property, of any interest therein, or any further assignment of rents from the Property, or any lease of all or substantially all of the Property, the Land and or the Improvements, without the prior written consent of Beneficiary, then, at Beneficiary's option, Beneficiary may declare the Indebtedness to be immediately due and payable, and, upon such declaration, the Indebtedness shall be immediately due and payable without demand or notice. Grantor covenants and agrees that it shall not, without the prior written consent of Beneficiary, take any of the actions, or suffer any of the events, that would be a cause for declaring the Indebtedness to be immediately due and payable pursuant to this Section.

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Section 1.19. *Water Assets.* See *Rider A* attached hereto and made a part hereof.

ARTICLE TWO

DEFAULTS

Section 2.01. *Event of Default.* As used in this Deed of Trust, the term "*Event of Default*" shall mean and refer to any one or more of the following events:

(a) the occurrence of any "Event of Default" under, and as defined in, any of the other Financing Documents including, without limitation, any Event of Default arising from any failure of Grantor, Seller or any other Guarantor to pay any sums required to be paid under and in accordance with the Financing Documents; or

(b) failure by Grantor to duly keep, perform, observe or comply with, or to cause to be duly kept, performed, observed or complied with, any covenant, agreement, condition or other provision required to be kept, performed, observed or complied with by or on behalf of Grantor pursuant to this Deed of Trust; *provided, however,* that such failure shall not be an Event of Default unless and until such failure shall not have been cured before expiration of the period of thirty (30) days next following actual or constructive knowledge of an officer of Grantor of such failure; or

(c) the occurrence of any taking of, condemnation of, or any impairment of the value of, all or any part of the Property in connection with any exercise of the power of eminent domain (or any conveyance in lieu of or under threat of any such taking), if such taking, condemnation or impairment materially impairs the value of the security pledged by this Deed of Trust; or

(d) any change in existing laws or procedures governing the taxation of mortgages, deeds of trust or debts secured by mortgages or deeds of trust so as to impair the security of this Deed of Trust or to materially reduce the net income to Beneficiary in respect of the Indebtedness, unless (i) upon request by Beneficiary, Grantor shall promptly pay to Beneficiary or to the taxing authority (if so directed by Beneficiary), all taxes, charges and related costs for which Beneficiary may be liable as a result thereof, and (ii) in Beneficiary's reasonable opinion, such payment by Grantor shall be permitted by applicable law, would not subject Beneficiary or Trustee to any liability, penalty or charge of any kind and would not render the Notes usurious; or

(e) the occurrence of any other cause for accelerating the maturity of the Indebtedness, or for declaring the Indebtedness to be immediately due and payable, pursuant to the Financing Documents, or this Deed of Trust; or

(f) see *Rider A* attached hereto and made a part hereof.

Section 2.02. *Beneficiary's and Trustee's Power of Enforcement.* After the occurrence of any Event of Default, Beneficiary may proceed by any appropriate judicial or non-judicial action or proceeding to (a) enforce payment of all or any part of the Indebtedness in accordance with the Financing Documents, (b) enforce performance of any term of this Deed of Trust or any of the other Financing Documents, as provided therein, (c) enforce any other rights of Beneficiary with respect to the Indebtedness, the Property or any other security for the Indebtedness as provided herein or in the Financing Documents, (d) direct Trustee to foreclose this Deed of Trust and sell, or cause the sale of, the Property, as an entirety or in separate parts, pursuant to the power of sale provided under this Deed of Trust or pursuant to the judgment, order or decree of any court of competent jurisdiction, (e) to the extent permitted by law, pursue the

partial foreclosure of this Deed of Trust for any part of the Indebtedness then due and payable, subject to the continuing encumbrance of this Deed of Trust as security for the balance of the Indebtedness not then due, and (f) pursue any other rights, powers and remedies available to Beneficiary, at law or in equity, in connection with the Indebtedness, the Property or any other security for the Indebtedness. Beneficiary may pursue any or all such actions or proceedings, at Beneficiary's option, separately or concurrently and in such order as Beneficiary may desire, either with or without entry or taking possession and whether or not all or any part of the Indebtedness shall have been declared to be immediately due and payable or shall otherwise be due. Beneficiary may pursue any and all such actions or proceedings without prejudice to Beneficiary's right thereafter to foreclose this Deed of Trust or to proceed by any other action or proceeding to enforce Beneficiary's rights, powers and remedies with respect to the Indebtedness, the Property or any other security for the Indebtedness, whether or not the basis for any such subsequent action or proceeding shall be a default or an Event of Default existing at the time such earlier action or proceeding was commenced.

Section 2.03. Beneficiary's Right To Enter and Take Possession.

(a) After the occurrence of any Event of Default, whether or not foreclosure proceedings shall have been instituted, Beneficiary, to the extent permitted by law, may enter and take possession of all or any part of the Property, may exclude Grantor and its officers, employees, agents, contractors, attorneys and other representatives therefrom and may have joint access with Grantor to the books, papers and accounts of Grantor and of any manager of the Property. Upon request by Beneficiary at any time after the occurrence of any Event of Default, Grantor shall peacefully and quietly vacate, surrender and deliver possession of the Property (or any part of the Property that may be designated by Beneficiary) to Beneficiary or to Trustee (if so requested by Beneficiary). If Grantor shall not vacate, surrender and deliver possession of the Property (or such part of the Property) to Beneficiary as provided above, then, without limiting any other right to enter and take possession of the Property (or such part of the Property), Beneficiary may resort to any and all legal and equitable remedies required to evict and dispossess Grantor therefrom (including, without limitation, one or more summary proceedings or actions for forcible entry and detainer, trespass to try title or restitution), and Beneficiary may obtain a judgment, order or decree of any court of competent jurisdiction conferring on Beneficiary, the right to immediate possession and requiring Grantor to immediately vacate, surrender and deliver possession of the Property (or such part of the Property) to Beneficiary. Grantor hereby specifically and irrevocably consents to the entry of any such judgment, order or decree. Upon request by Beneficiary, Grantor shall pay to Beneficiary, or to any other person that Beneficiary may designate, all costs, expenses and liabilities (including, without limitation, attorneys' fees) incurred by Beneficiary or by Trustee in connection with any such failure to vacate, surrender and deliver possession or in connection with any such judgment, order or decree or the exercise of any such remedies, together with interest thereon at the Default Rate from the date incurred by Beneficiary or by Trustee until the date so paid to, or as directed by, Beneficiary.

(b) On the first day of each month after any such entry into possession, or after the appointment of any receiver as provided below, Grantor shall pay to Beneficiary or to such receiver (as the case may be), in advance, a use and occupancy charge equal to the fair and reasonable rental value for such month of any part of the Property which then is in the possession of Grantor. If Grantor shall fail to make any such payment as provided above, then, upon request by Beneficiary or by such receiver (as the case may be), Grantor shall vacate, surrender and deliver possession of such part of the Property to Beneficiary, to Trustee or to such receiver (as the case may be), and, to the extent permitted by law, Grantor may be evicted and dispossessed therefrom by summary proceedings or otherwise.

(c) After any such entry into possession, Beneficiary, acting in Grantor's name or otherwise, may hold, store, use, operate, manage and control the Property (or any part of the Property which then is in the possession of Beneficiary) and may conduct the business and operations thereof. In doing so, Beneficiary may: (i) carry out any and all necessary and desirable maintenance, repairs, renewals,

replacements, alterations, additions, betterments and improvements of or to the Property (or such part of the Property);

(ii) purchase or otherwise acquire and install in or on the Property (or such part of the Property) additional fixtures, personal property and other property of the type encumbered by this Deed of Trust;

(iii) insure the Property or keep the Property insured;

(iv) manage, operate and exercise all rights and powers of Grantor with respect to the Property (or such part of the Property) and the management and operation thereof (including, without limitation, the right to enter into leases, to cancel, enforce or modify leases, to evict tenants by summary proceedings or otherwise and to take other appropriate steps to enforce leases);

(v) enter into agreements with others to exercise the rights and powers of Beneficiary and Trustee under this Deed of Trust; and

(vi) collect and receive all rents, royalties, issues, profits, revenues, income and other benefits of and from the Property (or such part of the Property) and any business or other operations conducted therein or thereon by or on behalf of or for the benefit of Grantor (including those past due as well as those accruing thereafter), and apply the money so received, in such priority as Beneficiary may determine, to pay (1) the interest, principal and other amounts due and payable in respect of the Indebtedness or otherwise payable pursuant to any of the Financing Documents, (2) the deposits payable under this Deed of Trust for Impositions and Insurance Premiums, (3) the cost of insurance, Impositions and other expenses of holding, storing, using, operating, managing, controlling, maintaining, repairing, altering and improving all or any part of the Property (including, without limitation, any leasing commissions and rental collecting commissions payable to any agent, contractor or other representative of Beneficiary), (4) the compensation, expenses and disbursements of the agents, contractors, attorneys and other representatives of Beneficiary, Trustee or any Noteholder, and (5) amounts advanced for any purpose recognized under this paragraph (c) or otherwise permitted by law or agreement.

(d) In the event of any such entry into possession, Beneficiary shall be liable to account only for rents, royalties, issues, profits, revenues, income and benefits actually received by Beneficiary while in possession of the Property. In the event of any foreclosure, Beneficiary may remain in possession of all or any part of the Property until the foreclosure sale and thereafter during any period of redemption. In the absence of any foreclosure, Beneficiary may remain in possession of all or any part of the Property as long as there exists an Event of Default. The same right of taking possession shall exist after the occurrence of any subsequent Event of Default. Beneficiary shall not be obligated, by virtue of this Section or by virtue of any actions contemplated by this Deed of Trust or by any of the other Financing Documents, to perform or discharge any obligation, duty or liability of Grantor under any lease or other agreement relating to all or any part of the Property or under any law, ordinance, rule, regulation, order, judgment, injunction or decree relating to all or any part of the Property. Beneficiary shall not be liable for, nor shall Grantor assert any claim or set off as a result of, any acts or omissions of Beneficiary, or its respective officers, employees, agents, contractors, attorneys or other representatives, while in possession of all or any part of the Property (except for damages directly caused by Beneficiary's own gross negligence or intentional wrongful acts). Grantor hereby expressly and irrevocably waives, releases, discharges and relinquishes all such liabilities, claims and rights of set off.

(e) Upon request by Beneficiary, Grantor shall pay to Beneficiary, or to any other person that

Beneficiary may designate, all costs, expenses and liabilities (including, without limitation, attorneys' fees) incurred by Beneficiary or any Noteholder in connection with the holding, storage, use, operation, management, control, maintenance, repair, alteration or improvement of all or any part of the Property (except to the extent such costs, expenses and liabilities shall have been paid out of collections from the Property as provided above), together with interest thereon at the Default Rate from the date incurred by Beneficiary or any Noteholder until the date so paid to, or as directed by, Beneficiary.

Section 2.04. Appointment of Receiver. At any time during the continuance of an Event of Default, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the Property or the solvency of Grantor, Seller or any Guarantor, shall be entitled as a matter of right and without notice of the application therefor, if it so elects, to the appointment of a receiver to (i) enter upon and take possession of the Property, (ii) collect all rents, royalties, issues, profits, revenues, income and other benefits of and from the Property and any business or other operations conducted in or on the Property by or on behalf of or for the benefit of Grantor, and (iii) apply the same as the court may direct or otherwise as may be permitted by law. Grantor hereby specifically and irrevocably consents to such appointment. Without limiting the generality of the foregoing or of any other provision of this Deed of Trust, Grantor agrees that any failure of Grantor to pay any Insurance Premiums or any Impostions or to maintain any insurance required with respect to the Property shall constitute waste, justifying the appointment of a receiver. The receiver shall be entitled to hold, store, use, operate, manage and control the Property and shall have all business and operations thereof as would Beneficiary pursuant to the immediately preceding Section and shall have all rights and powers permitted under the laws of the State of Utah such other rights and powers as the court making such appointment shall confer. The receiver shall be liable to account only for rents, royalties, issues, profits, revenues, income and other benefits actually received by such receiver. Notwithstanding the appointment of any receiver or other custodian, Beneficiary, as pledgee or depository, shall be entitled to the possession and control of any cash, deposits or instruments held by Beneficiary at the time of such appointment or payable or deliverable to Beneficiary from time to time pursuant to this Deed of Trust or pursuant to any of the other Financing Documents.

Section 2.05. Foreclosure; Power of Sale. Upon the occurrence of an Event of Default, Beneficiary shall, at its option, have the right to have the Trustee take possession of and sell (and, in the case of any default of any purchaser, resell) all of Property or any parts or portions thereof. The Property shall be sold in whole or in parts or portions as determined by the Trustee in the Trustee's sole discretion (Grantor expressly consenting thereto), at public auction (without regard to the right of any party to a marshalling of assets, Grantor hereby waiving any such right), and at such time and place and upon such terms and conditions as may be required or permitted by applicable law and as the Trustee may deem best (including without limitation the right to require a minimum deposit to accompany each bid), provided that such time, place and terms shall be advertised in at least five consecutive issues, in advance of the date of such sale, in a newspaper or newspapers published or having general circulation in the county or city, or counties or cities, in which the Land or some portion thereof being sold is located, and after postponement of sale or resale, as the Trustee may deem appropriate. Beneficiary may become a purchaser at such sale, and no purchaser shall be required to see to the proper application of the purchaser money. When the terms of sale have been complied with, the Trustee may convey to and at the cost of the purchaser, the Property, or a part thereof, so sold, free and discharged of and from all estate, right, title or interest of Grantor, its successors and assigns at law or in equity. After such a sale, the Trustee shall apply the proceeds of sale (after paying all proper costs, charges and expenses of executing this Trust, including a Trustee's commission of two percent (2%) of the gross proceeds of the sale but not more than one percent (1%) of the amount not paid into the hands of the Trustee but credited on account of the Indebtedness if Beneficiary on behalf of the Noteholders should be the purchaser (provided that such commission shall not exceed \$75,000), all taxes and assessments relating to the Property or part thereof sold, and all sums advanced as herein provided for, with interest as aforesaid) (i) first, to the Beneficiary for application to all Indebtedness then due as provided in the Trust Agreement, and (ii) second, to the extent of any surplus, to Grantor or such other person or persons as may be entitled thereto.

Section 2.06. Waiver of Certain Rights. Grantor agrees, to the extent permitted by law, that neither Grantor nor any person at any time claiming through or under Grantor or who hereafter may otherwise acquire any interest in

or title to all or any part of the Property or any other security for the Indebtedness shall set up, claim or seek to take advantage of any law now or hereafter in force pertaining to the rights of sureties or providing for any appraisal, valuation, stay, notice of election to accelerate maturity or to declare the Indebtedness due, extension, redemption, moratorium, homestead or exemption from execution or sale, in order to prevent or hinder the foreclosure of this Deed of Trust after the occurrence of any Event of Default, the final and absolute sale of all or any part of the Property or the final and absolute putting into possession thereof, immediately after any such sale, of the purchaser or purchasers at such sale or the enforcement of any other rights or remedies of Beneficiary under this Deed of Trust or under any of the other Financing Documents. Grantor, for itself and for any and all persons who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Property or any other security for the Indebtedness, hereby irrevocably waives and releases, to the extent permitted by law, all benefit of any and all such laws, any and all rights of redemption from sale pursuant to the power of sale provided under this Deed of Trust, any and all rights of redemption from sale pursuant to any judgment, order or decree of foreclosure of this Deed of Trust, and any and all right to have the assets constituting the Property or any other security for the Indebtedness marshalled upon any foreclosure or other enforcement of this Deed of Trust. Beneficiary, Trustee (acting at Beneficiary's request) or any court having jurisdiction to foreclose this Deed of Trust may sell the Property in part or as an entirety, if permitted to do so by applicable Utah law. Beneficiary shall not be required to accept the Property, any part or parts thereof or any other security for the Indebtedness in satisfaction of all or any part of the Indebtedness. Beneficiary shall not be required to accept any apportionment of the Indebtedness to or among any part or parts of the Property or any other security for the Indebtedness. If any law now in force of which Grantor might take advantage despite this Section shall be repealed or shall cease to be in force after the date hereof, then such law shall not thereafter be deemed to preclude the application of this Section.

Section 2.07. Leases. Any foreclosure of this Deed of Trust, any sale pursuant to the power of sale provided under this Deed of Trust and any other transfer of all or any part of the Property in extinguishment of all or any part of the Indebtedness may, at Beneficiary's option, be subject to any or all leases of all or any part of the Property and the rights of tenants under such leases. No failure to make any such tenant a defendant in any foreclosure proceedings or to foreclose or otherwise terminate any such lease and the rights of any such tenant in connection with any such foreclosure, sale or transfer shall be, or be asserted to be, a defense or hindrance to any such foreclosure, sale or transfer or to any proceedings seeking collection of all or any part of the Indebtedness (including, without limitation, any deficiency remaining unpaid after completion of any such foreclosure, sale or transfer).

Section 2.08. Suits To Protect Property. Beneficiary and Trustee (acting at Beneficiary's request) are hereby irrevocably authorized, at Beneficiary's option, to institute and maintain any and all suits and proceedings that Beneficiary may deem advisable (a) to prevent any impairment of the Property or of the security of this Deed of Trust by any unlawful acts or omissions of Grantor, (b) to prevent the occurrence or continuance of any violation of this Deed of Trust or of any of the other Financing Documents, (c) to foreclose this Deed of Trust (after the occurrence of any Event of Default), (d) to preserve and protect Beneficiary's and Trustee's interests in the Property, and (e) to restrain the enforcement of, or compliance with, any law, ordinance, rule, regulation, order, judgment, injunction or decree that may be unconstitutional or otherwise invalid, if such enforcement or compliance might (in Beneficiary's judgment) impair the Property or the security of this Deed of Trust or be prejudicial to Beneficiary's or Trustee's interests.

Section 2.09. No Waiver.

(a) No delay or omission of Beneficiary or Trustee to insist upon strict performance of any obligation of Grantor, Seller or any Guarantor under or in connection with this Deed of Trust, any of the other Financing Documents or to exercise any right, power or remedy available after the occurrence of any Event of Default shall waive, exhaust or impair any such obligation or any such right, power or remedy, nor shall any such delay or omission be construed to be a waiver of, or acquiescence in or to, any such Event of Default. Notwithstanding any such delay or omission, Beneficiary or Trustee (acting at Beneficiary's request) thereafter shall have the right, from time to time and as often as may be deemed advisable by Beneficiary, to insist upon

and enforce strict performance of any and all obligations of Grantor, Seller, or any Guarantor under or in connection with this Deed of Trust, any of the other Financing Documents. Each and every right, power and remedy available to Beneficiary after the occurrence of any Event of Default may be exercised from time to time and as often as may be deemed advisable by Beneficiary.

(b) No waiver of any Event of Default shall extend to or affect any subsequent Event of Default or any other Event of Default then existing, nor shall any such waiver impair any rights, powers or remedies (except as otherwise explicitly provided in such waiver) available to Beneficiary after the occurrence of any Event of Default (whether or not the Event of Default not otherwise waived. After the occurrence of any Event of Default (whether or not the Indebtedness or any part thereof shall have been declared to be immediately due and payable), Beneficiary or any Noteholder may accept payments of amounts owing in respect of the Indebtedness, and no such acceptance shall waive any such Event of Default or result in any deceleration of maturity or in any Indebtedness which shall have been declared to be due and payable no longer being due and payable, unless Beneficiary or such Noteholder expressly and specifically agrees in writing to any such waiver or deceleration or that such Indebtedness is no longer due and payable.

Section 2.10. Remedies Cumulative. No right, power or remedy now or hereafter available to Beneficiary, Trustee or any receiver pursuant to any of the Financing Documents or pursuant to any law or judicial decision, is or shall be exclusive of any other right, power or remedy, and each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to each and every other right, power and remedy now or hereafter available pursuant to any of the Financing Documents or pursuant to any law or judicial decision. Notwithstanding anything to the contrary set forth in this Deed of Trust or in any of the other Financing Documents, no act of Beneficiary shall be construed as an election to proceed under any one provision of this Deed of Trust or of any applicable statute or other law to the exclusion of any other such provision, statute or other law.

Section 2.11. Purchase by Beneficiary. Beneficiary may bid for and purchase all or any part of the Property at any foreclosure sale and, upon compliance with the terms of sale, may hold, retain, possess and dispose of such Property in its own absolute right without further accountability. In paying the purchase price in connection with any foreclosure sale, Beneficiary, after allowing for the costs and expenses of such sale, may, to the extent permitted by law, apply all or any part of the Indebtedness, in lieu of cash, as a credit against such purchase price and any other amounts payable in connection therewith.

Section 2.12. Discontinuance of Proceedings. If Beneficiary shall exercise any right, power or remedy available pursuant to any of the Financing Documents pursuant to any law or judicial decision, and if such exercise and any related proceedings shall be discontinued or abandoned for any reason, or if any such proceedings shall result in a final determination adverse to Beneficiary, then, to the extent permitted by law, Grantor, Seller, Beneficiary, Trustee and any Guarantor thereafter shall be restored to their respective former positions and to their respective rights, powers and remedies under the Financing Documents or otherwise relating to the Indebtedness, the Property or any other security for the Indebtedness, and all rights, powers and remedies of Beneficiary and Trustee shall continue to be available as if no such exercise and no such proceedings had occurred.

Section 2.13. Right of Subrogation. To the extent permitted by applicable law, Beneficiary shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this Deed of Trust.

Section 2.14. Additional Security and Guaranty. If Beneficiary or any trustee or other fiduciary of Beneficiary at any time holds additional security for, or any guaranty (other than Guaranty from Grantor) of, all or any part of the Indebtedness, then Beneficiary or such trustee or fiduciary may foreclose such security or otherwise enforce Beneficiary's or such trustee's rights, powers and remedies with respect to, and realize upon, such security or such guaranty (as the case may be), either before or concurrently with or after a foreclosure or other enforcement of

this Deed of Trust or of any of the other Financing Documents, without being deemed to have waived any rights, benefits, liens or security interests evidenced by or arising under or in connection with this Deed of Trust or any of the other Financing Documents and without being deemed to have made an election thereby or to have accepted the benefits of such guaranty or such additional security (or the proceeds thereof) in full settlement of the Indebtedness and of Beneficiary's or such trustee's or fiduciary's rights with respect thereto. No judgment, order or decree with respect to the Notes or with respect to any such guaranty or security, whether rendered in the State of Utah or elsewhere, shall in any manner affect the security of this Deed of Trust, and any deficiency or other debt represented by any such judgment, order or decree shall, to the extent permitted by law, be secured by this Deed of Trust to the same extent that the Indebtedness shall have been secured by this Deed of Trust prior to the rendering of such judgment, order or decree. Grantor, for itself and for any and all persons who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Property or any other security for the Indebtedness, hereby irrevocably waives and releases, to the extent permitted by law, all benefit of any and all laws that would limit or prohibit the effectiveness of anything set forth in this Section.

ARTICLE THREE

MISCELLANEOUS

Section 3.01. Use of Certain Terms. Each reference in this Deed of Trust to Grantor, Seller, any Guarantor, any of the Noteholders, Beneficiary or Trustee shall be deemed also to include the heirs, executors, administrators, personal representatives, successors and assigns (if permitted by Beneficiary or Noteholders with regard to Grantor or any Guarantor) of such person. Each reference in this Deed of Trust to any gender shall be deemed also to include any other gender, and the use in this Deed of Trust of the singular shall be deemed also to include the plural and vice versa, unless the context requires otherwise. As used in this Deed of Trust, the term "*person*" shall mean and refer to any and all individuals, sole proprietorships, partnerships, joint ventures, associations, trusts, estates, business trusts, corporations (non-profit or otherwise), financial institutions, governments (and agencies, instrumentalities and political subdivisions thereof), and other entities and organizations. Each reference in this Deed of Trust to the fees or any other compensation of any agents, contractors, attorneys or other representatives of Beneficiary or Trustee shall be deemed also to include expenses and disbursements, as well as fees of paraprofessionals and similar personnel (such as paralegals and legal assistants).

Section 3.02. Headings. The headings of the Articles, Sections, paragraphs and other subdivisions of this Deed of Trust are for convenience of reference only, are not to be considered a part of this Deed of Trust and shall not limit, expand or otherwise affect any of the terms of this Deed of Trust.

Section 3.03. Giving of Notices. All notices, reports, demands, requests, and other communications authorized or required under this Deed of Trust to be given or delivered to Grantor, Seller, any of the Noteholders, Beneficiary or Trustee shall be deemed given or delivered in accordance with the Note Purchase Agreement and the Trust Agreement.

Section 3.04. Binding Effect. All covenants, agreements conditions and other provisions of this Deed of Trust shall run with the Land and shall bind and inure to the benefit of Grantor, Beneficiary, Trustee and their respective heirs, executors, administrators, personal representatives, successors and assigns, whether so expressed or not. If there is more than one Grantor at any time, all undertakings of Grantor under this Deed of Trust shall be deemed to be joint and several.

Section 3.05. Provisions Subject to Applicable Laws; Invalid Provisions To Affect No Others. All rights, powers and remedies provided in this Deed of Trust may be exercised only to the extent that the exercise thereof does not violate any law and are intended to be limited to the extent necessary so that they will not render this Deed of Trust invalid, illegal or unenforceable. In the event that any of the covenants, agreements, conditions or other provisions of this Deed of Trust or of any of the other Financing Documents shall be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining covenants, agreements, conditions and other provisions of this Deed of Trust and of any of the other Financing Documents shall in no way be affected, prejudiced or disturbed thereby.

Section 3.06. Changes. Neither this Deed of Trust nor any of the other Financing Documents, nor any covenant, agreement, condition or other provision of any of them, may be changed, waived, released, discharged, withdrawn, revoked or terminated orally, or by any action or inaction. In order to be effective and enforceable, any such change, waiver, release, discharge, withdrawal, revocation or termination must be evidenced by a written document or instrument signed by the party against which enforcement of such change, waiver, release, discharge, withdrawal, revocation or termination is sought, and then shall be effective and enforceable only to the extent specifically provided in such document or instrument. Any agreement hereafter made by Grantor and Beneficiary relating to this Deed of Trust or to any of the other Financing Documents shall be superior to the rights of the holder, owner or beneficiary of any intervening lien or encumbrance. Neither the modification of this Deed of Trust or any of the other Financing Documents nor the release of any part of the Property from the lien of this Deed of Trust shall impair the priority of such lien.

Section 3.07. No Benefit to Third Parties. Each covenant, agreement, condition and other provision of this Deed of Trust and of the other Financing Documents is and at all times shall be deemed to be for the exclusive benefit of Grantor, Seller, Beneficiary, the Noteholders and Trustee (as the case may be) and their respective heirs, executors, administrators, personal representatives, successors and assigns. Nothing set forth in this Deed of Trust or in any of the other Financing Documents shall be deemed to be for the benefit of any other person (including, without limitation, the holder, owner or beneficiary of any other lien or interest in or on all or any part of the Property or the owner of any interest in Grantor).

Section 3.08. Representatives of Beneficiary. All rights, powers and remedies of Beneficiary or Trustee under this Deed of Trust or under any of the other Financing Documents may be exercised by Beneficiary itself, by Trustee (acting at Beneficiary's request) or by their respective officers, employees, agents, contractors, attorneys or other representatives.

Section 3.09. No Release. No obligation or liability of Grantor, Seller or any Guarantor in connection with the Indebtedness or the Property (whether existing or arising under this Deed of Trust, under any of the other Financing Documents (except to the extent expressly provided in this Deed of Trust, in any of the other Financing Documents or in any written agreement executed by Beneficiary) by reason of any or all of the following: (a) any damage to, destruction or interference with, any use of all or any part of the Property; (b) any rescission or prevention of, or part of the Property or any eviction or dispossession of any person from all or any part of the Property by paramount title or otherwise; (d) any bankruptcy, reorganization, arrangement, composition, readjustment, liquidation, dissolution, insolvency, receivership, conservatorship or similar case or proceeding relating to Grantor or any Guarantor, or any action taken with respect to the Indebtedness, the Property or any of the Financing Documents by any trustee, custodian, receiver, conservator, master, liquidator or court in connection with any such case or proceeding; (e) any claim that any person has or may have against Beneficiary or Trustee; (f) any default or failure by Beneficiary or by Trustee to perform or comply with any of the terms of this Deed of Trust, any of the other Financing Documents or any other agreement with Grantor or any Guarantor; (g) any consent or approval (whether conditional or unconditional) or any withholding of consent or approval to any matter for which Beneficiary's consent or approval is or shall be required; (h) any failure by Beneficiary or by Trustee to comply with any request to foreclose this Deed of Trust, accept a deed or other

conveyance or assignment of all or any part of the Property in lieu of foreclosure or otherwise enforce any of Beneficiary's or Trustee's rights, powers or remedies under this Deed of Trust or under any of the other Financing Documents; (i) any release of all or any part of the Property or of any other security for the Indebtedness from the lien of this Deed of Trust or from the effect of any of the other Financing Documents or any acceptance of other or additional security for all or any part of the Indebtedness; (j) any release of any person from any liability for or in connection with all or any part of the Indebtedness; (k) any compromise, settlement, forbearance or extension of time for payment or performance of or in connection with the Indebtedness; (l) any waiver of, or other failure by Beneficiary or by Trustee to exercise, any right, power or remedy available after the occurrence of any Event of Default or at any other time; (m) any agreement by Beneficiary or by Trustee, or any consent by Beneficiary or by Trustee to any agreement, modifying the terms of this Deed of Trust or of any of the other Financing Documents, modifying the priority of this Deed of Trust or modifying the obligations or liabilities of any person in connection with the Indebtedness, the Property or any of the Financing Documents; or (n) any other occurrence, whether similar or dissimilar to any of the foregoing occurrences, whether or not Grantor or any Guarantor shall have notice or knowledge of any of the foregoing occurrences. None of the foregoing occurrences shall preclude Beneficiary or Trustee (acting at Beneficiary's request) from exercising any right, power or remedy available after the occurrence of any then-existing or subsequent Event of Default, nor shall the priority of the lien of this Deed of Trust be altered by any such occurrence (except to the extent expressly provided in any document or instrument executed by Beneficiary).

Section 3.10. Governing Law. Except as otherwise required by applicable law, this Deed of Trust shall be construed, interpreted, enforced and governed by and in accordance with the internal laws of the State of Utah, without regard to principles of conflicts of laws.

Section 3.11. Receipt of Copy Acknowledged. Each of Grantor and Beneficiary hereby acknowledges that it has received an accurate and complete copy of this instrument as executed by Grantor.

Section 3.12. Substitution of Trustee. If Beneficiary shall for any reason desire to remove Trustee (or any successor of Trustee) as trustee under this Deed of Trust and to appoint a new trustee in the place and stead of Trustee, then Beneficiary shall have the right, and is hereby irrevocably granted full power and authority, to remove Trustee and to appoint a successor trustee by a written document or instrument, which shall be duly acknowledged or proved so as to entitle such document or instrument to be recorded. Such successor trustee thereupon shall become Trustee under this Deed of Trust and shall become successor to the title to the Property, which title shall become vested in such successor Trustee, in trust, for the purposes and objects of these presents, with all the powers, duties and obligations conferred upon Trustee pursuant to this Deed of Trust, in the same manner and to the same effect as though such successor were named herein as Trustee.

Section 3.13. Role of Beneficiary. This Deed of Trust has been executed and delivered by Grantor to Beneficiary as security trustee under and pursuant to the Trust Agreement for the benefit of the Noteholders to secure payment of the Indebtedness. Beneficiary shall at all times be entitled to the benefits and shall be subject to the requirements of the Trust Agreement. Any provisions herein entitling the Beneficiary to take any action hereunder shall not be construed as a requirement that the Beneficiary take such action, and the Beneficiary shall only be required to take such actions as it may be authorized or directed to take as security trustee under the terms of the Trust Agreement and only to the extent so required in the Trust Agreement.

Section 3.14. Integration; Conflict with Financing Documents. To the extent that any term, condition, provision, representation, warranty or covenant in this Deed of Trust is materially different from any of terms, conditions, provision, representations, warranties or covenants on the same matter as are in the other Financing Documents, the terms, conditions, provisions, representations, warranties and covenants of the other Financing Documents shall govern this document. To the extent that any representation, warranty or covenant in this Deed of Trust is not consistent with any factual matters disclosed in Annex 3 to the Note Purchase Agreement, such matters shall not constitute a breach of such representation, warranty, or covenant.

IN WITNESS WHEREOF, Grantor has caused this Deed of Trust to be executed as of the day and year first above written.

CIRCLE FOUR CORPORATION

By: [Signature]
C. Larry Pope, Treasurer

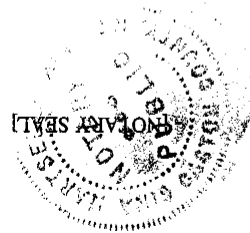
STATE OF North Carolina
COUNTY OF Mecklenburg
ss

On the 27th day of October, 1999, personally appeared before me C. Larry Pope, who being by me duly sworn did say that he is the Treasurer, of Circle Four Corporation, a North Carolina corporation, and duly acknowledged to me that as Treasurer of such corporation he had authority to and did execute the foregoing instrument on behalf of said Corporation.

Name: Gina Harself-Davis
Notary Public

Address: Gina Harself-Davis, Notary Public
Gaston County, North Carolina
My Commission Expires 11/8/2000

My Commission Expires: 118 S. Tarmon Road
Mt. Holly NC 28122



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EXHIBIT A
The Land

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IRON COUNTY PARCELS:

PARCEL 68: Lots 5, 6, 11 and 12 in Section 4 and Lots 7, 8, 9 and 10 in Section 5, Township 31 South, Range 13 West, SLB&M.

EXCEPTING THEREFROM: Beginning at the West quarter corner of Section 4, Township 31 South, Range 13 West, Salt Lake Base & Meridian ("SLB&M") 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 69: Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and the East half of the Southwest quarter and the Southeast quarter of Section 6, Township 31 South, Range 13 West, SLB&M.

EXCEPTING THEREFROM: Beginning at a point South 89°58'17" West along the quarter section line 983 feet from the East quarter corner of Section 6, Township 31 South, Range 13 West, SLB&M 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 South 89°01'43" East 293 feet to the point of beginning.

PARCEL 70: All of Section 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 and the West half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section 29, Township 31 South, Range 13 West, SLB&M.

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, SLB&M 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.

PARCEL 71: The East half of Section 10, Township 31 South, Range 13 West, SLB&M.

PARCEL 72: The Northeast quarter of the Northeast quarter of Section 27, Township 31 South, Range 13 West, SLB&M.

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PARCEL 73: All of Section 1 and 25, Township 31 South, Range 14 West, SLB&M. ²

PARCEL 76: The Southwest quarter of Section 30, Township 31 South, Range 12 West, SLB&M. ¹

EXCEPTING THEREFROM: Beginning at the Southeast corner of the Southwest quarter of said section; thence North 1043.55 feet; thence West 1043.55 feet; thence South 1043.55 feet; thence East 1043.55 feet to the point of beginning. ¹

PARCEL 77: The South 69 acres of the Southeast quarter of Section 30, Township 31 South, Range 12 West, SLB&M. ¹

PARCEL 78: The Southeast quarter and the East half of the Southwest quarter and the Northwest quarter of the Southwest quarter of Section 17, Township 31 South, Range 12 West, SLB&M. ³

EXCEPTING THEREFROM: Beginning at the Southeast corner of the Northeast quarter of the Southwest quarter of said section; thence West 521.375 feet; thence North 1043.55 feet; thence East 1043.55 feet; thence South 1043.55 feet; thence West 521.375 feet to the point of beginning. ¹

PARCEL 79: The East half of the Northwest quarter the Southwest quarter of the Northwest quarter and the Southwest quarter of Section 20, Township 31 South, Range 12 West, SLB&M. ¹

PARCEL 80: The Northwest quarter of the Southwest quarter of Section 9, Township 31 South, Range 12 West, SLB&M. ¹

PARCEL 81: The Northeast quarter and the Southeast quarter of Section 20, Township 31 South, Range 12 West, SLB&M. ²

PARCEL 82: All of Section 25, Township 31 South, Range 13 West, SLB&M. ¹

PARCEL 83: The Northeast quarter and the Southeast quarter of Section 26, Township 31 South, Range 13 West, SLB&M. ²

PARCEL 84: The Northeast quarter and the Southeast quarter of Section 35, Township 31 South, Range 13 West, SLB&M. ²

PARCEL 85: The Northeast quarter and the Southeast quarter of Section 7, Township ²

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- 32 South, Range 12 West, SLB&M.
- PARCEL 86: The Northeast quarter and the Southeast quarter of Section 2, Township 2, Range 13 South, SLB&M.
- PARCEL 87: The Southeast quarter of Section 11, Township 32 South, Range 13 West, SLB&M.
- PARCEL 88: The Northwest quarter and the Southwest quarter of Section 13, Township 32 South, Range 13 West, SLB&M.
- PARCEL 89: The South half of the Southwest quarter; the Northeast quarter of the Southwest quarter and the South half of the Northeast quarter of the Southwest quarter of Section 1, Township 32 South, Range 13 West, SLB&M.
- PARCEL 90: Lots 2, 3 and 4 and the East half of the West half of Section 31, Township 31 South, Range 12 West, SLB&M.

WATER RIGHTS:

The following water rights are designated by the water right number assigned by the Utah State Engineer's Office (also known as the Utah Division of Water Rights). Change application numbers for change applications filed by Circle Four Realty [identified by the format (a _____)] are included. The points of diversion and places of use of the following water rights are located in one or more of the following counties of the State of Utah: Beaver, Iron, Millard.

An option to purchase WRN 67-1252 (a23539), as segregated from WRN 67-155, Cert. 6537, received under Option Agreement dated April 5, 1999

71-28 (a17388), appurtenant to Parcels 4 and 29

71-171; 71-2290 (a19938) appurtenant to Parcels 57, 58, 59, and 145

71-453; 71-2080

71-478; 71-2112 (a19939), appurtenant to Parcels 57, 58, 59, and 145

71-480

71-482; 71-2034

71-484; 71-1923 (a19940), appurtenant to Parcels 57, 58, 59, and 145

71-489; 71-2111; 71-2223; 71-2224 (a22089), appurtenant to Parcels 57, 58, 59, and 145

71-511; 71-1729

71-526; 71-2288 (a19942), appurtenant to Parcels 57, 58, 59, and 145

71-527; 71-2289 (a21966), appurtenant to Parcels 4, 5, 7, 29, 30, 31, 32, 33, 34, 35, 36, 57, 58, 59, and 145

71-546; 71-2229

71-566; 71-2196 (a19943), appurtenant to Parcels 57, 58, 59, and 145

71-596; 71-598; 71-599; 71-2197; 71-2198; 71-2199 (a19944), appurtenant to Parcels 30, 32, 33, 34, 57, 58, 59, and 145

71-610; 71-613; 71-615 (a17321), appurtenant to Parcel 7

71-614; 71-1643 (a23273), appurtenant to Parcels 4, 5, 7, 29, 30, 32, 33, 34, 35, 36, 57, 58, 69, and 145

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71-1081; 71-1086; 71-1842
71-1663; 71-1813 (a19945), appurtenant to Parcels 57, 58, 59, and 145
71-1930 (a17392), as segregated from 71-28
71-2405; 71-2419 (a19946), appurtenant to Parcels 57, 58, 59, and 145
71-2531; 71-2530; 71-2533; 71-2534; 71-2632; 71-2759, appurtenant to Parcels 96-
139 and Parcels 140 through 144
71-2552
71-2822 (a19947), appurtenant to Parcels 57, 58, 59, and 145
71-2830; 71-2935 (a19948), appurtenant to Parcels 57, 58, 59, and 145
71-3222 (A43017), Cert. of Appro. #10581, appurtenant to Parcels 91 and 92
71-3248 (A43017a), Cert. of Appro. #12592, appurtenant to Parcels 91 and 92
71-3334 (A19840)
71-3540 (a21466), appurtenant to Parcels 4, 5, 7, 29, 30, 31, 32, 33, 34, 35, and 36
71-3723 (a19949), appurtenant to Parcels 57, 58, 59, and 145
71-4128
71-4267 (a21502), appurtenant to Parcels 60 through 70, 73, 146, and 147
71-4268 (a17324), seg. from 71-1609 (A18480)
71-4269 (a17387), appurtenant to Parcel 4
71-4272 (a17389), appurtenant to Parcel 4
71-4273 (a17390), appurtenant to Parcel 4
71-4274 (a17391), appurtenant to Parcel 4
71-4275 (a17342), seg. from 71-1609 (A18480)
71-4276 (a19027), appurtenant to Parcels 30, 32, 33, and 34
71-4299 (a19028), appurtenant to Parcels 30, 32, 33, and 34
71-4402 (a19029), appurtenant to Parcels 30, 32, 33, and 34
71-4403 (a21467), appurtenant to Parcels 4, 5, 7, 29, 30, 32, 33, 34, 35, 36, 57, 58,
59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 73, 145, 146, and 147
71-4404

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71-4516 (a21404), seg. from 71-3248

71-4539 (a21822), appurtenant to Parcels 60 through 70, 73, 146, and 147

71-4540 (a21967), appurtenant to 4, 5, 7, 29, 30, 31, 32, 33, 34, 35, 36, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 73, 145, 146, and 147

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RIDERA
Water Assets

This rider is attached to and made a part of that certain deed of trust dated October 27, 1999 ("Deed of Trust") given by Circle Four Corporation as Grantor to Warren H. Peterson, Esquire, as Trustee for the benefit of First Union National Bank, as Beneficiary, the terms of which are incorporated herein by reference, covering certain property as more particularly described therein (the "Property").

Capitalized terms used and not otherwise defined herein shall have the same meaning as used in the Deed of Trust.

In addition to any and all other provisions of the Deed of Trust, the following additional terms shall apply thereto:

(1) The definition of Property set forth hereinabove shall also include all right, title and interest at any time of Grantor (or any of its agents or instrumentals), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including without limitation, the following, which shall collectively be called "Water Assets":

a. All water (including any water inventory in storage), water rights and entitlements, other rights to use water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights or otherwise, (ii) Grantor's right to remove and extract any groundwater including any applications, diligence claims, water user's claims, decrees, permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity, (iii) any rights to which Grantor is entitled with respect to surface water whether such right is appurtenant, riparian, prescriptive, decreed or otherwise and whether or not pursuant to applications, diligence claims, water user's claims, decrees, permits or other governmental authorizations, or the right to store any such water (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company mutual water company, or other non-governmental entity;

b. All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset;

c. All applications, licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset;

d. All rights, claims, causes of action, judgments, awards, and other judicial, arbitral or administrative relief in any way relating to any Water Asset;

e. All storage and treatment rights for any Water Asset, whether on or off the property or other property of Grantor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset;

f. All rights to transport, carry, allocate or otherwise deliver Water Assets by any means wherever located;

g. All irrigation and watering equipment and all systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the property;

h. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, and all insurance policies regarding or relating to any Water Asset;

i. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

(2) References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and rights to water or whatever rights to money/proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights.

(3) All water used on, or water rights arising from or related to the Property, is deemed to be real property and not personal property. Grantor represents that it is not in the business of transferring water and, therefore, any sale or transfer of any water or water rights is not a transfer of goods in the ordinary course of business. Grantor further agrees that in no event will any water or water rights be goods identified to a contract. Grantor hereby acknowledges that any severance of water or water rights from the Property would materially harm the Property. However, notwithstanding anything to the contrary contained herein, to the extent that any of the Property including, without limitation, any Water Asset, constitutes personal property, Section 1.13 of this Deed of Trust shall apply and beneficiary shall have all of the rights and remedies of a secured party under this Deed of Trust, the Uniform Commercial Code and other applicable state law, which rights are cumulative.

(4) Grantor hereby agrees to use beneficially and maintain all water rights in good standing and take all steps necessary to protect all water assets from abandonment, forfeiture, impairments, or infringement; not to sell, transfer, assign, encumber or convey any water or water rights from the Property or to enter into an agreement for the nonuse of water, without the prior written consent of Beneficiary, except in the ordinary course of business.

(5) Grantor hereby agrees to pay, on or before the due date therefor, all assessments upon water company stock, if any, and all rents, assessments and charges for water, appurtenant to or used in connection with the Property.

(6) In the event any water transfer (as defined below) is made by Grantor or by operation of law or otherwise, without Beneficiary's prior written consent, there shall be an Event of Default hereunder. A "water transfer" is any transfer, assignment, sale, agreement to sell, conveyance, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, forfeiture, abandonment, or other disposition of, directly or indirectly, or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of any existing or hereafter created or acquired Water Assets. This provision shall not apply to Water Right Number 71-2552.

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SCHEDULE A
The Noteholders

ANNEX 1

Noteholder Schedule

| <u>Noteholder</u> | <u>Series I</u> | <u>Series J</u> | <u>Series K</u> | <u>Series L</u> |
|------------------------------------------------------------------------------------------------------|------------------------|-----------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Cape Fear Farm Credit, ACA | RI-1; \$100,000,000 | RJ-1; \$50,000,000 | ----- | ----- |
| John Hancock Mutual Life Insurance Company | ----- | ----- | RK-1; \$11,000,000 RK-2; \$4,500,000 RK-6; \$1,000,000 | RL-1; \$10,500,000 RL-2; \$4,500,000 RL-6; \$1,000,000 |
| John Hancock Variable Life Insurance Company | ----- | ----- | RK-3; \$1,000,000 | RL-3; \$1,000,000 |
| Investors Partner Life Insurance Company | ----- | ----- | RK-4 \$500,000 | RL-4 \$500,000 |
| Commonwealth of Pennsylvania State Employees' Retirement System | ----- | ----- | RK-5; \$2,000,000 | RL-5; \$1,000,000 |
| Mellon Bank, N.A., Trustee for the Bell Atlantic Master Trust | ----- | ----- | RK-7; \$1,000,000 | RL-7; \$1,000,000 |
| The Northern Trust Company, as Trustee of the Lucent Technologies Inc. Master Pension Trust | ----- | ----- | RK-8; \$2,000,000 | RL-8; \$1,000,000 |
| Merrill Lynch International (Signature 4) | ----- | ----- | RK-9; \$10,000,000 | ----- |
| Signature 1A (Cayman), Ltd. | ----- | ----- | ----- | RL-9; \$3,500,000 |

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| Noteholder | Series I | Series J | Series K | Series L |
|-------------------------------------------------------------------------------------------------|---------------|--------------|------------------------|-----------------------|
| Mellon Bank, N.A., Trustee under the Long- Term Investment Trust dated October 1, 1996 | ----- | ----- | RK-10; \$2,000,000 | RL-10; \$1,000,000 |
| The Variable Annuity Life Insurance Company | ----- | ----- | RK-11; \$10,000,000 | ----- |
| American General Life Insurance Company | ----- | ----- | RK-12; \$5,000,000 | ----- |
| Totals | \$100,000,000 | \$50,000,000 | \$50,000,000 | \$25,000,000 |

SCHEDULE B

The Notes

The following, collectively, comprise the Notes:

- (a) One hundred million dollars (\$100,000,000) in aggregate principal amount of its seven and eighty-nine one-hundredths percent (7.89%) Series I Senior Secured Notes due October 1, 2009 (as they may be amended, restated or otherwise modified from time to time, the "*Series I Notes*," such term to include each Series I Note delivered from time to time in accordance with any of the Note Purchase Agreements).
- (b) Fifty million dollars (\$50,000,000) in aggregate principal amount of its Variable Rate Series J Senior Secured Notes due October 1, 2009 (as they may be amended, restated or otherwise modified from time to time, the "*Series J Notes*," such term to include each Series J Note delivered from time to time in accordance with any of the Note Purchase Agreements).
- (c) Fifty million dollars (\$50,000,000) in aggregate principal amount of its eight and forty-four one-hundredths percent (8.44%) Series K Senior Secured Notes due October 1, 2009 (as they may be amended, restated or otherwise modified from time to time, the "*Series K Notes*," such term to include each Series K Note delivered from time to time in accordance with any of the Note Purchase Agreements).
- (d) Twenty-five million dollars (\$25,000,000) in aggregate principal amount of its LIBOR Rate Series L Senior Secured Notes due October 1, 2009 (as they may be amended, restated or otherwise modified from time to time, the "*Series L Notes*," such term to include each Series L Note delivered from time to time in accordance with any of the Note Purchase Agreements).

SCHEDULE C

Guarantors

Gwaltney of Smithfield, Ltd.
John Morrell & Co.
The Smithfield Packing Company, Incorporated
SFPC, Inc.
Patrick Cudahy Incorporated
Carroll's Foods, Inc.
Carroll's Realty, Inc.
Carroll's Realty Partnership
North Side Foods Corp.
Lykes Meat Group, Inc.
Circle Four Corporation
Brown's of Carolina, Inc.
Brown's Farms, LLC
Carroll's Foods of Virginia, Inc.
Smithfield-Carroll's Farms
Central Plains Farms, Inc.

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SCHEDULE D
Permitted Encumbrances

Those matters (i) referred to in Part 2.2(b) of Annex 3 to the Note Purchase Agreement; or (ii) which are otherwise not prohibited under Section 6.13 of the Note Purchase Agreement.