

AGREEMENT FOR PRIVATE DEVELOPMENT

By and Between

WRIGHT COUNTY, IOWA

AND

PRESTAGE FOODS OF IOWA, LLC

_____, 2016

DRAFT

AGREEMENT
FOR
PRIVATE DEVELOPMENT

THIS AGREEMENT FOR PRIVATE DEVELOPMENT (hereinafter called "Agreement"), is made on or as of the ____ day of _____, 2016, by and between WRIGHT COUNTY, IOWA, a municipality (hereinafter called "County"), established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapters 15A and 403 of the Code of Iowa, 2015, as amended ("Urban Renewal Act"), and PRESTAGE FOODS OF IOWA, LLC, an Iowa limited liability company having offices for the transaction of business at 4651 Taylors Bridge Hwy., Clinton, North Carolina 28328, (hereinafter called "Developer").

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the County has undertaken a program for the development of an economic development area in the County and, in this connection, is engaged in carrying out urban renewal project activities in an area known as the 2016 Wright County Agribusiness Urban Renewal Area (the "Urban Renewal Area"), which is described in the Urban Renewal Plan approved for such Urban Renewal Area by Resolution No. [REDACTED] on August 8, 2016 (the "Urban Renewal Plan"); and

WHEREAS, a copy of the foregoing Urban Renewal Plan has been recorded among the land records in the office of the Recorder of Wright County, Iowa; and

WHEREAS, Developer is, or will be, the owner of certain real property located in the foregoing Urban Renewal Area and as more particularly described in Exhibit A attached hereto and made a part hereof (which property as so described is hereinafter referred to as the "Development Property"); and

WHEREAS, Developer shall construct the Minimum Improvements on the Development Property and operate its business at the Minimum Improvements including creation and retention of employment until at least the Termination Date of this Agreement; and

WHEREAS, Developer has applied for and expects to receive incentives from the State of Iowa under the High Quality Jobs Program; and

WHEREAS, the County intends to assist in the Project through incentives, which include incremental property tax incentive payments as the local match, and through ensuring the availability of sufficient wastewater treatment capacity to treat all wastewater generated by the operation of the Minimum Improvements; and

WHEREAS, the County believes that the development of the Development Property pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the County and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the foregoing project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of them does hereby covenant and agree with the other as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement for Private Development and all exhibits and appendices hereto, as the same may be from time to time modified, amended, or supplemented.

Area or Urban Renewal Area means the area known as the Wright County Agribusiness Urban Renewal Area.

Certificate of Completion means a certification in the form of the certificate attached hereto as Exhibit C and hereby made a part of this Agreement.

County means Wright County, Iowa, or any successor to its functions.

County Assessor or Assessor means the assessor for Wright County, Iowa.

County Indebtedness means the bonded indebtedness to be issued by the County to pay the costs of the Road Improvements and the Wastewater Treatment Contribution.

Code means the Code of Iowa, 2015, as amended.

Commence Construction means to commence construction after entry into a valid and binding construction contract (including, at a minimum construction of underground facilities such as utilities and foundation), which shall be on or before March 31, 2017.

Commencement Date means the effective date of this Agreement.

Construction Plans means the plans, specifications, drawings and related documents reflecting the construction work to be performed by the Developer on the Development Property; the Construction Plans shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the County as required by applicable County codes.

Developer means Prestage Foods of Iowa, LLC, and its permitted successors and assigns.

Development Property means that portion of the Urban Renewal Area described in Exhibit A.

Economic Development Assistance Contract or EDA Contract means a Contract to be entered into by and among Developer, County, and the Iowa Economic Development Authority.

Event of Default means any of the events described in Section 10.1 of this Agreement.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements or all such Mortgages as appropriate.

Full-Time Equivalent (FTE) Job means the same as the definitions in the Economic Development Assistance Contract by and among Developer, County, and the Iowa Economic Development Authority as follows:

"The employment of one person:

1. For 8 hours per day for a 5-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or
2. The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time work for the kind of service an individual performs for an employing unit, provided that the number of hours per week is at least 32 hours per week for 52 weeks per year including paid holidays, vacations, and other paid leave.

For purposes of this definition, 'employment of one person' means the employment of one natural person and does not include 'job sharing' or any other means of aggregation or combination of hours worked by more than one natural person."

Guarantor means each of the following Prestage Farms of Iowa, LLC, Prestage Farms of South Carolina Limited Liability Company, Prestage Farms of Oklahoma, LLC, Prestage Farms of Mississippi, LLC, Prestage Foods, Inc.

Indemnified Parties means the County and the governing body members, officers, agents, servants, and employees thereof as defined in Article IX of this Agreement.

Minimum Actual Value means \$111,111,111, such amount representing the minimum actual value to be assigned to the Minimum Improvements (including taxable equipment), pursuant to the Minimum Assessment Agreement entered into between Developer, County, and the Assessor.

Minimum Assessment Agreement means the minimum assessment agreement in the form attached hereto as Exhibit F and hereby made part of this Agreement.

Minimum Improvements means the construction of improvements on the Development Property as more particularly described in Exhibit B and depicted in Exhibit B-1 to this Agreement.

Mortgage means any mortgage or security agreement in which Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon.

Net Proceeds means any proceeds paid by an insurer to Developer under a policy or policies of insurance required to be provided and maintained by Developer, as the case may be, pursuant to Article

V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

Ordinance means the Ordinance of the County, under which the taxes levied on the taxable property in the Urban Renewal Area shall be divided and a portion paid into the Urban Renewal Tax Increment Revenue Fund.

Prestage Subfund means a separate account within the Urban Renewal Tax Increment Revenue Fund of the County, in which there shall be deposited Tax Increments received by the County with respect to the Development Property and the Minimum Improvements.

Prime Rate means the interest rate quoted by the Wall Street Journal from time to time as the prime rate for the banking industry.

Project means the construction and operation of the Minimum Improvements on the Development Property and the creation and maintenance of jobs, as described in this Agreement.

Road Improvements means the public road infrastructure improvements to be undertaken by the County pursuant to Section 4.2 of this Agreement.

State means the State of Iowa.

Tax Increments means the property tax revenues on the Minimum Improvements divided and made available to the County for deposit in the Prestage Subfund of the Urban Renewal Tax Increment Revenue Fund under the provisions of Section 403.19 of the Code, as amended, and the Ordinance.

Tax Increment Payments means the payments from the County to the Developer described in Section 8.2 of this Agreement.

Termination Date means the date of termination of this Agreement, as established in Section 12.8 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties that results in injunctive relief, or the acts of any federal, State or local governmental unit (other than the County).

Urban Renewal Plan means the Urban Renewal Plan, as amended, approved with respect to the Urban Renewal Area, described in the preambles hereof.

Urban Renewal Tax Increment Revenue Fund means the special fund of the County created under the authority of Section 403.19(2) of the Code and the Ordinance, which fund was created in order to pay the principal of and interest on loans, monies advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, including bonds or other obligations issued under the authority of Chapters 15A, 384, or 403 of the Code, incurred by the County to finance or refinance in whole or in part projects undertaken pursuant to the Urban Renewal Plan for the Urban Renewal Area.

Utility means the sanitary sewer/wastewater treatment system of the City of Eagle Grove, Iowa, a municipally owned utility established and placed under the governance of a Board of Trustees pursuant to Iowa Code Chapter 388 that provides wastewater treatment services to customers located in Wright County, Iowa.

Wastewater Services Agreement means that certain Wastewater Services Agreement dated [REDACTED] 2016, entered into by and between Developer and Utility, a draft of which is attached hereto as Exhibit G.

Wastewater Treatment Contribution means the dollars expended by the County to pay the costs of providing wastewater treatment facilities necessary to service the Development Property whether in support of construction undertaken by the Utility or for the construction undertaken by the County.

ARTICLE I-A. CONDITIONS PRECEDENT

Section 1-A.1. The following is a condition precedent to any rights or obligations of any parties to this Agreement:

- a. Execution of the Economic Development Assistance Contract by and among Developer, County, and the Iowa Economic Development Authority for High Quality Job Program benefits on or before September 1, 2016; and
- b. The Guarantors shall have delivered to the County an executed Guaranty as required in Section 6.10 of this Agreement in the form attached hereto as Exhibit H and a corresponding enforceability opinion in the form attached hereto as Exhibit H-1.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the County. The County makes the following representations and warranties:

- a. The County is a municipal corporation and municipality organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.
- b. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the County is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.
- c. All covenants, stipulations, promises, agreements, and obligations of the County contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the County only, and not of any governing body member, officer, agent, servant, or employee of the County in the individual capacity thereof.

d. Except for a building permit fee of \$100.00, and subject to Developer being and remaining in compliance with this Agreement, the County will waive all usual and customary County permit fees related to building, electrical, plumbing, mechanical, zoning and signs.

Section 2.2. Representations and Warranties of Developer. Developer makes the following representations and warranties:

a. Prestage Foods of Iowa, LLC is an Iowa limited liability company, duly organized and validly existing under the laws of the State, and has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under this Agreement.

b. This Agreement has been duly and validly authorized, executed and delivered by Developer and, assuming due authorization, execution, and delivery by the County, is in full force and effect and is a valid and legally binding instrument of Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws relating to or affecting creditors' rights generally.

c. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions, or provisions of the governing documents of Developer or of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which Developer is now a party or by which it or its property is bound, nor do they constitute a material default under any of the foregoing.

d. There are no actions, suits, or proceedings pending or threatened against or affecting Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position, or results of operations of Developer or which in any manner raises any questions affecting the validity of the Agreement or Developer's ability to perform its obligations under this Agreement.

e. Developer has not received any notice from any local, State, or federal official that the activities of Developer with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the County has previously been notified in writing). Developer is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State, or federal environmental law, regulation, or review procedure applicable to the Development Property, and Developer is not currently aware of any violation of any local, State, or federal environmental law, regulation, or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

f. Developer will cooperate reasonably with the County in resolution of any traffic, parking, trash removal, or public safety problems which may arise in connection with the construction and operation of the Minimum Improvements.

g. Developer will cause the Minimum Improvements to be constructed in accordance with the terms of this Agreement, the Urban Renewal Plan, and all local, State, and federal laws and regulations.

h. Developer will use its best efforts to obtain or cause to be obtained, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

i. The construction of the Minimum Improvements will require a Capital Investment of no less than \$200,000,000. For purposes of this paragraph, "Capital Investment" means money expended for purposes of land acquisition, site preparation, building construction, manufacturing machinery and equipment, other machinery and equipment, computer hardware and software, furniture, and fixtures.

j. Developer has firm commitments for construction or acquisition and permanent financing for the Project in an amount sufficient, together with equity commitments, to successfully complete the Minimum Improvements in accordance with the Construction Plans contemplated in this Agreement.

k. Developer expects that, barring Unavoidable Delays, the Minimum Improvements will be completed by March 31, 2019.

l. Developer will own the Minimum Improvements and operate its business on the Development Property until at least the Termination Date.

m. With respect to the Development Property and the Minimum Improvements, Developer will not seek to render such real estate exempt from ad valorem property taxation, change the land assessment category from industrial, or the zoning classification from [REDACTED], prior to the Termination Date of this Agreement.

n. Developer would not undertake its obligations under this Agreement without the Incremental Property Tax Payments being made to Developer pursuant to this Agreement.

ARTICLE III. CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 3.1. Construction of Minimum Improvements. Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with the Construction Plans submitted to the County in accordance with Section 3.2 below. Developer agrees that the scope and scale of the Minimum Improvements to be constructed shall not be significantly less than the scope and scale of the Minimum Improvements as detailed and outlined in the Construction Plans.

Section 3.2. Construction Plans. Developer shall cause Construction Plans to be provided for the Minimum Improvements, which shall be subject to approval by the County as provided in this Section 3.2. The Construction Plans shall be in conformity with the Urban Renewal Plan, this Agreement, and all applicable federal, State, and local laws and regulations. The County shall approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the terms and conditions of the Urban Renewal

Plan; (iii) the Construction Plans conform to all applicable federal, State, and local laws, ordinances, rules, and regulations, and County permit requirements; (iv) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements; and (v) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 3.2 shall constitute approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the County with respect to any building, fire, zoning, or other ordinances or regulations of the County, and shall not be deemed to be sufficient plans to serve as the basis for the issuance of a building permit if the Construction Plans are not as detailed or complete as the plans otherwise required for the issuance of a building permit. The site plans submitted to the building official of the County for the Development Property and the surrounding areas where the Minimum Improvements are to be constructed shall be adequate to serve as the Construction Plans, if such site plans are approved by the building official.

Approval of the Construction Plans by the County shall not relieve any obligation to comply with the terms and provisions of this Agreement, or the provision of applicable federal, State, and local laws, ordinances, and regulations, nor shall approval of the Construction Plans by the County be deemed to constitute a waiver of any Event of Default.

Approval of Construction Plans hereunder is solely for purposes of this Agreement, and shall not constitute approval for any other County purpose nor subject the County to any liability for the Minimum Improvements as constructed.

Section 3.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, Developer shall cause construction of the Minimum Improvements to be undertaken and completed: (i) by no later than March 31, 2019; or (ii) by such other date as the parties shall mutually agree upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend this date by a number of days equal to the number of days lost as a result of Unavoidable Delays. All work with respect to the Minimum Improvements shall be in conformity with the Construction Plans approved by the building official or any amendments thereto as may be approved by the building official.

Developer agrees that it shall permit designated representatives of the County, upon reasonable notice (which does not have to be written), to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction and the progress thereof.

Section 3.4. Certificate of Completion. Upon written request of Developer after issuance of an occupancy permit for the Minimum Improvements, the County will furnish Developer with a Certificate of Completion in recordable form, in substantially the form set forth in Exhibit C attached hereto. Such Certificate of Completion shall be a conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of Developer to cause construction of the Minimum Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at Developer's sole expense. If the County shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 3.4, the County shall, within twenty (20) days after written request by Developer provide a written statement indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default

under the terms of this Agreement, and what measures or acts will be necessary, in the opinion of the County, for Developer to take or perform in order to obtain such Certificate of Completion.

ARTICLE IV. PUBLIC IMPROVEMENTS

Section 4.1. Guarantee of Wastewater Service Agreement Obligations. The County hereby absolutely, unconditionally, and irrevocably guarantees to the Company the performance by Utility of all obligations of Utility under the Wastewater Service Agreement (the “Wastewater Guaranty”), which Wastewater Guaranty includes without limitation: (a) the construction of the Phase I Public Improvements; (b) the construction of the Phase II Public Improvements if Developer delivers a Phase II Election Notice to Utility or County; and (c) the provision of wastewater treatment services on the terms set forth in the Wastewater Services Agreement, provided, however that the County’s obligation to perform hereunder shall be conditioned up the receipt of all necessary environmental and regulatory approvals necessary with respect to the improvements, which approvals the County will use best efforts to acquire. The Developer would not undertake its obligations under this Agreement without the Wastewater Guaranty. All terms used in this Section 4.1 but not otherwise defined in this Agreement shall have the meanings set forth in the Wastewater Service Agreement.

If the Developer reasonably believes the Utility is unable or unwilling to fulfill its obligations under the Wastewater Service Agreement as to the Phase I Public Improvements, the Developer may request from the County an estimate of the Current Rate and/or the Minimum Required Load, as such terms are defined in the Wastewater Service Agreement (the “Phase I Estimates”), that would be necessary, each as determined by the County’s independent financial advisor, to service the additional County Indebtedness that would be necessary to fund the County’s construction of the Phase I Public Improvements and to provide for the coverage of the ongoing operating expenses projected for the Phase I Public Improvements. Upon receipt of the Phase I Estimates the Developer may give notice to the County to proceed with construction of the Phase I Public Improvements subject to all other terms of the Wastewater Service Agreement. Upon delivery of such notice by the Developer to the County, the County shall undertake the construction of the Phase I Public Improvements.

To the extent that the County is subsequently made aware, either through actual contract bid letting or advice from the project engineer, that the actual costs for undertaking the Phase I Public Improvements requires a Current Rate and/or Minimum Required Load that exceeds the Phase I Estimates by more than ten percent (10%), then County shall notify the Developer of such cost overage and the projected increase in the Current Rate and/or Minimum Required Load necessary, each as determined by the County’s independent financial advisor, to service the additional debt resulting from the cost overage and to provide for the ongoing operating expenses of the Phase I Public Improvements. The County shall provide to the Developer such evidence of the cost overage and the financing thereof as may reasonably requested by the Developer. Following construction of the Phase I Public Improvements, the parties shall reconcile the amount of the Current Rate and/or the Minimum Required Load to reflect the actual construction costs of the Phase I Public Improvements.

Section 4.2. Road Improvements. The County will construct the road improvements as set forth on Exhibit I hereto to facilitate vehicular traffic into and out of the Minimum Improvements (collectively, the “Road Improvements”), such improvements to include: (1) hard surfacing of the right-of-way of County Highway C56 from the west line of the SW Quarter of Section 21, Township 10, Range 26 West of the 5th P.M. on the West to, and including, its intersection with State Highway 17 on

the east and (2) resurfacing and improvement of the right-of-way of State Highway 17 from, and including, its intersection with County Highway C56 on the south to, and including, the southern city limits of the City of Eagle Grove, Iowa on the north.

The Road Improvements will be constructed at the County's sole cost and expense, including without limitation any local match required as a condition to funding from the State of Iowa's Revitalize Iowa's Sound Economy (RISE) Program. Developer will cooperate with the County for purposes of preparing the County's application for RISE Program funding for the Road Improvements. The County shall cause construction of the Road Improvements to be undertaken and completed by no later than July 31, 2018. Construction of the Road Improvements shall not materially interfere with or delay the Developer in the construction of the Minimum Improvements. Construction of the Minimum Improvements on the Development Property shall not materially interfere with or delay the County in the construction of the Road Improvements. The County acknowledges and agrees that the construction of the Road Improvements must be completed sooner than or concurrent with the Project in order to allow Developer to commence operation of the Minimum Improvements by no later than January 31, 2019. Developer hereby acknowledges the County's reliance upon the construction of the Minimum Improvements, establishment of the Minimum Actual Value and the payment of property taxes with respect to the Development Property for the receipt of the Tax Increments which will be used to service the County Indebtedness.

ARTICLE V. INSURANCE

Section 5.1. Insurance Requirements.

- a. Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements (and, from time to time at the request of the County, furnish the County with proof of payment of premiums on):
 - i. Builder's risk insurance, written on the so-called "Builder's Risk- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.
 - ii. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) with limits against bodily injury and property damage of at least \$1,000,000 for each occurrence. The County shall be named as an additional insured for the County's liability or loss arising out of or in any way associated with the project and arising out of any act, error, or omission of Developer, or its directors, officers, shareholders, contractors, and subcontractors or anyone else for whose acts the County may be held responsible (with coverage to the County at least as broad as that which is provided to Developer and not lessened or avoided by endorsement). The policy shall contain a "severability of interests" clause and provide primary insurance over any other insurance maintained by the County.
 - iii. Workers' compensation insurance with at least statutory coverage.

b. Upon completion of construction of the Minimum Improvements and at all times prior to the Termination Date, Developer shall maintain or cause to be maintained, at its cost and expense (and from time to time at the request of the County shall furnish proof of the payment of premiums on), insurance as follows:

i. Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements, but any such policy may have a deductible amount of not more than \$2,500,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior consent thereto in writing by the County. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains, and other uninsurable items) and equipment.

ii. Comprehensive general public liability insurance, including personal injury liability for injuries to persons and/or property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development Property, in the minimum amount for each occurrence and for each year of \$1,000,000.

iii. Such other insurance, including workers' compensation insurance respecting all employees of Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

c. All insurance required by this Article V to be provided prior to the Termination Date shall be taken out and maintained in responsible insurance companies selected by Developer, which are authorized under the laws of the State to assume the risks covered thereby. Developer will deposit annually with the County copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, to the extent permitted by the applicable insurance company, each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to Developer and the County at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, Developer shall furnish the County evidence satisfactory to the County that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms hereof. In lieu of separate policies, Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event Developer shall deposit with the County a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

d. Developer agrees to notify the County immediately in the case of damage exceeding \$250,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. Net Proceeds of any such insurance shall be paid directly to Developer, and Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as they existed prior to the event causing such damage and, to

the extent necessary to accomplish such repair, reconstruction and restoration, Developer will apply the Net Proceeds of any insurance relating to such damage received by Developer to the payment or reimbursement of the costs thereof.

e. Developer shall complete the repair, reconstruction, and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by Developer for such purposes are sufficient.

ARTICLE VI. FURTHER COVENANTS OF DEVELOPER

Section 6.1. Maintenance of Properties. Developer will maintain, preserve, and keep its properties within the County (whether owned in fee or a leasehold interest), including but not limited to the Minimum Improvements, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

Section 6.2. Maintenance of Records. Developer will keep at all times proper books of record and account in which full, true, and correct entries will be made of all dealings and transactions of or in relation to the business and affairs of Developer relating to this Project in accordance with generally accepted accounting principles, consistently applied throughout the period involved, and Developer will provide reasonable protection against loss or damage to such books of record and account.

Section 6.3. Compliance with Laws. Developer will comply with all State, federal and local laws, rules, and regulations relating to the Minimum Improvements.

Section 6.4. Non-Discrimination. In the construction and operation of the Minimum Improvements, Developer shall not discriminate against any applicant or employee because of age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status. Developer shall ensure that applicants and employees are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status.

Section 6.5. Available Information. Upon request, Developer shall promptly provide the County with copies of information requested by County that are related to this Agreement so that County can determine compliance with this Agreement.

Section 6.6. Employment. Developer shall employ 922 Full-Time Equivalent (FTE) Jobs in the hog processing facility on the Development Property by no later than January 1, 2020 ("Phase I Compliance Date"). Developer shall retain 922 Full-Time Equivalent (FTE) Jobs from the Phase I Compliance Date through the Termination Date of this Agreement in order to be eligible for the Tax Increment Payments, subject to the reductions in the Tax Increment Payments set forth in Section 6.6A. If Developer delivers to the Utility a Phase II Election Notice, the Developer shall deliver a copy of such Phase II Election Notice to County. Upon delivery of a Phase II Election Notice, Developer shall add at least 850 additional Full-Time Equivalent (FTE) Jobs (the "Phase II Jobs") in the hog processing facility on the Development Property by no later than the date which is 30 months after the date of the Phase II Election Notice (the "Phase II Compliance Date"). Following the Phase II Compliance Date, Developer shall retain a Monthly Average of at least 1,772 Full-Time Equivalent (FTE) Jobs at the hog processing facility on the Development Property until the Termination Date of this Agreement in order to be

eligible for the Tax Increment Payments, subject to the reductions in the such payments set forth in Section 6.6A. Developer's Annual Certification shall be prepared in a manner consistent with the requirements of the Iowa Economic Development Authority and shall show that:

a. at least 922 Full-Time Equivalent (FTE) Jobs have been maintained from January 1, 2020 through the earlier to occur of the Phase II Compliance Date or the Termination Date; and

b. If the Phase II Election Notice has been delivered to the County, at least 1,772 Full-Time Equivalent (FTE) Jobs have been maintained from the Phase II Compliance Date through the Termination Date of this Agreement.

Section 6.6A. Pro rata Adjustment to Tax Increment Payments. If the Developer is not in compliance with the employment obligations set forth in Section 6.6 of this Agreement during any year, including on the Phase I Compliance Date, the County shall reduce the amount of the Tax Increment Payments during the following calendar year by the same proportion as the amount of the shortfall in created jobs. For example, if the employment level reported on Developer's Annual Certification equals seventy-five percent (75%) of the jobs required, the Tax Increment Payments available during the following calendar year shall be reduced from 32% to 24% (calculated as 32% multiplied by 75%). Failure by Developer to maintain the Full-Time Equivalent Jobs required under Section 6.6 and Section 6.6A of this Agreement in any year shall not be considered an Event of Default under this Agreement, and this pro rata adjustment to the Tax Increment Payments shall be the sole and exclusive consequence of failing to meet the employment obligations in any year.

Section 6.7. Annual Certification. To assist the County in monitoring this Agreement and performance of Developer hereunder, a duly authorized officer of Developer shall annually provide to the County: (i) proof that all ad valorem taxes on the Development Property and Minimum Improvements have been paid for the prior fiscal year and any taxes due and payable for the current fiscal year as of the date of certification; (ii) the date of the first full assessment of the Minimum Improvements; (iii) certification of the number of Full-Time Equivalent (FTE) Jobs employed by Developer as of July 1 (the parties acknowledge that the July 31, 2019 Annual Certification will reflect the actual employment level for information purposes only and that the employment levels in the July 31, 2020 Annual Certification will be the basis for the pro rata adjustment in Section 6.6A, if necessary, for the Tax Increment Payment available in 2021); and (iv) certification that such officer has re-examined the terms and provisions of this Agreement and that at the date of such certificate, Developer is not, or was not, in material default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto. Such statement, proof and certificate shall be provided not later than July 31 of each year, commencing July 31, 2019 and ending on July 31, 2030, both dates inclusive. Developer shall provide supporting information for its Annual Certifications upon request of the County. See Exhibit E for form required for Developer's Annual Certification.

Section 6.8. Term of Operation. Developer shall maintain its operations at the Minimum Improvements on the Development Property, including the employee obligations in Section 6.6, until the Termination Date of this Agreement.

Section 6.9. Developer Completion Guarantee. By signing this Agreement, Developer hereby guarantees to the County performance by Developer of all the terms and provisions of this Agreement pertaining to Developer's obligations with respect to the construction of the Minimum Improvements. Without limiting the generality of the foregoing, Developer guarantees that: (a) construction of the Minimum Improvements shall commence and be completed within the time limits set forth herein, subject to Unavoidable Delays; (b) the Minimum Improvements shall be constructed and completed in accordance with the Construction Plans; (c) the Minimum Improvements shall be constructed and completed free and clear of any mechanic's liens, materialman's liens and equitable liens; and (d) all costs of constructing the Minimum Improvements shall be paid when due.

Section 6.10. Guaranty. Prior to the Commencement Date, Developer shall cause each Guarantor to execute and deliver to the County a Guaranty in favor of the County, in the form attached hereto as Exhibit H.

Section 6.11. Phase II Obligations. Notwithstanding any provision of this Agreement to the contrary, Developer shall be under no obligation to create or maintain the Phase II Jobs until Developer delivers to the County the Phase II Election Notice. Upon delivery of the Phase II Election Notice, Developer shall be obligated to create and maintain the Phase II Jobs pursuant to the terms of this Agreement.

Section 6.12. Abandonment or Obsolescence. To the extent that the Development Property and/or the Minimum Improvements should be abandoned, vacant or otherwise kept out of productive use for a consecutive period of five years or more during the Term, then Developer and/or its Guarantors shall, within 180 days of the mailing of a written request from the County, undertake (i) the demolition and clearance of all non-natural structures and facilities then erected upon the Development Property; and (ii) the restoration of the Development Property to a reasonable development-ready or farming-ready state. The obligations of the Developer and/or its Guarantors under this section shall not be effective if enforcement of this section would cause a default under any mortgage or contract to which the Development Property is subject. To the extent that the Developer no longer owns the Property when written request is sent by the County, then the County shall also provide a detailed cost estimate for undertaking the work set forth in items (i) and (ii) in the preceding sentence and the Developer and/or its Guarantors shall remit payment to the County in such amount within 90-days of the mailing of the letter and estimate.

ARTICLE VII. ASSIGNMENT AND TRANSFER

Section 7.1. Status of Developer; Transfer of Substantially All Assets; Assignment. As security for the obligations of Developer under this Agreement, Developer represents and agrees that, prior to the Termination Date, Developer will maintain existence as a company and will not wind up or otherwise dispose of all or substantially all of its assets or transfer, convey, or assign its interest in the Development Property, Minimum Improvements, or this Agreement to any other party unless: (i) the transferee partnership, corporation, limited liability company, or individual assumes in writing all of the obligations of Developer under this Agreement; and (ii) the County consents thereto in writing, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 7.2. Prohibition Against Use as Non-Taxable or Centrally Assessed Property. During the term of this Agreement, Developer, or its successors, or assigns agree that the Development Property cannot be transferred or sold to a non-profit entity or used for a purpose that would exempt the Development Property or Minimum Improvements from property tax liability. Nor can the Development Property or Minimum Improvements be used as centrally assessed property (including but not limited to, Iowa Code § 428.24 to 428.29 (Public Utility Plants and Related Personal Property); Chapter 433 (Telegraph and Telephone Company Property); Chapter 434 (Railway Property); Chapter 437 (Electric Transmission Lines); Chapter 437A (Property Used in the Production, Generation, Transmission or Delivery of Electricity or Natural Gas); and Chapter 438 (Pipeline Property)).

ARTICLE VIII. PROPERTY TAXES AND PAYMENTS

Section 8.1. Real Property Taxes. Developer, or its successors shall pay or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property acquired and owned or leased by them and pursuant to the provisions of this Agreement. Until Developer's obligations have been assumed by any other person or legal title to the property is vested in another person, all pursuant to the provisions of this Agreement, Developer shall be solely responsible for all assessments and taxes.

Developer and its successors agree that prior to the Termination Date:

- a. They will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Development Property, Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings;
- b. They will not seek any tax exemption deferral or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of real property contained on the Development Property between the date of execution of this Agreement and the Termination Date; and
- c. The assessment classification for the Development Property shall be industrial and Developer shall not take any action to request or effect a change in such category.

Section 8.2 Tax Increment Payments. In recognition of Developer's obligations set forth herein, the County agrees to make ten annual economic development payments to the Developer. Each Tax Increment Payment shall be due on June 1 of each County fiscal year during the period commencing June 1, 2021 and continuing to, and including June 1, 2030, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Tax Increment Payments shall not exceed \$8,000,000 (the "Maximum Payment Total"), and no further Tax increment Payments shall be made once the Maximum Payment Total has been reached. Should any occurrence interfere with the accrual of the Minimum Assessed Valuation on the Wright County property tax rolls as of January 1, 2019, then the first Tax Increment Payment shall be delayed until June 1 of the County's fiscal year following the year in which the Minimum Assessed Valuation accrues on the property tax rolls.

The County acknowledges that (i) higher than anticipated assessed valuation of the Development Property and/or the Minimum Improvements; (ii) higher than anticipated consolidated levy rates in effect with respect to the Development Property; or (iii) reduction in “roll back” available for the Development Property may render the Maximum Payment Total insufficient to accommodate 10 years of Tax Increment Payments equal to 32% of the available Tax Increments. Should any of these conditions occur and should the Developer request it in writing, the County will in good faith consider approval of an amendment to this Agreement providing for a corresponding increase in the Maximum Payment Total, which approval shall not be unreasonably withheld. The parties hereby acknowledge that the County will be required to follow the statutory process set forth in Section 403.9 for the authorization of such an amendment.

Each Tax Increment Payment shall be in an amount which represents 32% percent (unless reduced pursuant to Section 6.6A above) of the Tax Increments received by the County through the division (pursuant to the Ordinance and Section 403.19 of the Code of Iowa) of actual property taxes paid with respect to the Development Property during the twelve months immediately preceding each payment due date.

The Tax Increment Payments shall not constitute general obligations of the County, but shall be made solely and only from Tax Increments received by the County from the Wright County Treasurer which are attributable to the Development Property and the Minimum Improvements, such revenues to be deposited into a subfund (the “Prestage Subfund”) of the Urban Renewal Tax Increment Revenue Fund. The Prestage Subfund and the Tax Increments to be collected therein shall be pledged to the funding of the Tax Increment Payments by duly authorized action of the Board of Supervisors.

Section 8.3 Certification of Tax Increment Payment Obligation. By no later than December 1, 2019, the County agrees to certify to the Wright County Auditor an amount of tax increment debt payable from future Tax Increments to be collected from the Development Property pursuant to this Agreement equal to the Maximum Payment Total.

Section 8.4 No Interference. The County shall take no action whatsoever to interfere with the availability of Tax Increments from the Development Property and the Minimum Improvements and/or the funding of the Tax Increment Payments to the Developer, including, but not limited to legislative action with respect to the Urban Renewal Area or the Ordinance.

ARTICLE IX. INDEMNIFICATION

Section 9.1. Release and Indemnification Covenants.

a. Except for the obligations of County as set forth in this Agreement, Developer releases the County and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article IX, the "Indemnified Parties") from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify, defend, and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements or Development Property.

b. Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the Indemnified Parties, Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly

arising from: (i) any violation of any agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by Developer against the County to enforce its rights under this Agreement); (ii) the acquisition and condition of the Development Property and the construction, installation, ownership, and operation of the Minimum Improvements; or (iii) any hazardous substance or environmental contamination located in or on the Development Property.

c. The Indemnified Parties shall not be liable for any damage or injury to the persons or property of Developer or their officers, agents, servants, or employees or any other person who may be about the Minimum Improvements or Development Property due to any act of negligence of any person, other than any act of negligence on the part of any such Indemnified Party or its officers, agents, servants, or employees.

d. All covenants, stipulations, promises, agreements, and obligations of the County contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the County, and not of any governing body member, officer, agent, servant, or employee of the County in the individual capacity thereof.

e. The provisions of this Article IX shall survive the termination of this Agreement.

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events during the term of this Agreement:

a. Failure by Developer to cause the construction of the Minimum Improvements to be completed and the operations to continue pursuant to the terms and conditions of this Agreement;

b. Transfer of Developer's interest in the Development Property, Minimum Improvements or any interest in this Agreement or the assets of Developer in violation of the provisions of this Agreement;

c. Failure by Developer to timely pay ad valorem taxes on the Development Property and Minimum Improvements;

d. Failure by Developer to substantially observe or perform any material covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;

e. The holder of any Mortgage on the Development Property, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable Mortgage documents;

f. Developer:

i. files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or

- ii. makes an assignment for the benefit of its creditors; or
 - iii. admits in writing its inability to pay its debts generally as they become due; or
 - iv. is adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of Developer as bankrupt or either entity's reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of Developer or the Minimum Improvements, or part thereof, shall be appointed in any proceedings brought against Developer, and shall not be discharged within ninety (90) days after such appointment, or if Developer shall consent to or acquiesce in such appointment; or
- g. Any representation or warranty made by Developer in this Agreement or in any written statement or certificate furnished by Developer pursuant to this Agreement shall prove to have been incorrect, incomplete, or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs and is continuing, the County, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice by the County to Developer and the holder of the First Mortgage (but only to the extent the County has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and Developer does not provide assurances reasonably satisfactory to the County that the Event of Default will be cured as soon as reasonably possible:

- a. The County may suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the County, that Developer will cure the default and continue its performance under this Agreement;
- b. The County may terminate this Agreement;
- c. The County may withhold the Certificate of Completion;
- d. The County may enforce the Guaranty pursuant to Section 6.10 hereof;
- e. The County may take any action, including legal, equitable, or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of Developer, as the case may be, under this Agreement.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the County is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a

waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.

Section 10.5. Agreement to Pay Attorneys' Fees and Expenses.

a. Developer and the County shall each pay for its own attorney's fees associated with this Agreement; and

b. Whenever any Event of Default occurs and the County shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer herein contained, Developer agrees that it shall, on demand therefor, pay to the County the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the County in connection therewith.

ARTICLE XI. MINIMUM ASSESSMENT AGREEMENT

Section 11.1. Minimum Assessment Agreement.

a. As further consideration for this Agreement, Developer, County, and the Assessor shall execute an Assessment Agreement pursuant to the provisions of Iowa Code Section 403.6(19) specifying the Assessor's Minimum Actual Value for the Minimum Improvements on the Development Property for calculation of real property taxes in the form attached as Exhibit F ("Assessment Agreement" or "Minimum Assessment Agreement"). Specifically, Developer, County, the Assessor, the holder of any mortgage and all prior lienholders shall agree to a Minimum Actual Value for the Minimum Improvements to be constructed on the Development Property of not less than \$111,111,111 upon completion of any portion of the Minimum Improvements until the Assessment Agreement Termination Date (as defined below). It is acknowledged by the parties that the minimum assessed value for the Development Property has been calculated such that the minimum taxable value will be One Hundred Million Dollars (\$100,000,000) after application of the Ninety Percent (90%) "rollback percentage" for industrial property set forth in Iowa Code Section 441.21. It is the intent of the parties that the minimum taxable value of the Development Property shall be One Hundred Million Dollars (\$100,000,000). If the rollback percentage is eliminated or modified such that the taxable value of the Development Property increases, the minimum assessed value of the Development Property shall be adjusted accordingly.

b. Nothing in the Assessment Agreement shall limit the discretion of the Assessor to assign an actual value to the property in excess of such Minimum Actual Value nor prohibit Developer from seeking through the exercise of legal or administrative remedies a reduction in such actual value for property tax purposes; provided, however, that Developer shall not seek a reduction of such actual value below the Minimum Actual Value in any year so long as the Assessment Agreement shall remain in effect. The Assessment Agreement shall remain in effect until the sooner of (i) full repayment, both as to principal and interest, of the County Indebtedness; or (ii) December 31, 2034 (the "Assessment

Agreement Termination Date"). The Assessment Agreement shall be certified by the Assessor for the County as provided in Iowa Code Section 403.6(19) (2015) and shall be filed for record in the office of the Wright County Recorder, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property or part thereof, whether voluntary or involuntary. Such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, as well as all prior lienholders and the holder of First Mortgage, each of which shall sign a consent to the Minimum Assessment Agreement.

ARTICLE XII. MISCELLANEOUS

Section 12.1. Conflict of Interest. Developer represents and warrants that, to its best knowledge and belief after due inquiry, no officer or employee of the County, or its designees or agents, nor any consultant or member of the governing body of the County, and no other public official of the County who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, has had or shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work or services to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 12.2. Notices and Demands. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- a. In the case of Developer, is addressed or delivered personally to Prestage Foods of Iowa, LLC, at 4651 Taylor's Bridge Hwy., Clinton, NC 28328-8064, Attn: Jere Null, Chief Operating Officer;
- b. In the case of the County, is addressed to or delivered personally to the County at [REDACTED], Attn: [REDACTED];

or to such other designated individual or officer or to such other address as any party shall have furnished to the other in writing in accordance herewith.

Section 12.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 12.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 12.5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

Section 12.6. Entire Agreement. This Agreement and the exhibits hereto reflect the entire agreement among the parties regarding the subject matter hereof, and supersedes and replaces all prior

agreements, negotiations or discussions, whether oral or written. This Agreement may not be amended except by a subsequent writing signed by all parties hereto.

Section 12.7. Successors and Assigns. This Agreement is intended to and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 12.8. Termination Date. This Agreement shall terminate and be of no further force or effect on and after December 31, 2030, unless terminated earlier under the provisions of this Agreement.

Section 12.9. Memorandum of Agreement. The parties agree to execute and record a Memorandum of Agreement for Private Development, in substantially the form attached as Exhibit D, to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the County by virtue hereof. The County shall pay for all costs of recording.

Section 12.10. No Third-Party Beneficiaries. No rights or privileges of either party hereto shall inure to the benefit of any landowner, contractor, subcontractor, material supplier, or any other person or entity, and no such contractor, landowner, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

IN WITNESS WHEREOF, the County has caused this Agreement to be duly executed in its name and behalf by the Chairperson of its Board of Supervisors and its seal to be hereunto duly affixed and attested by its County Auditor, and Developer has caused this Agreement to be duly executed in its name and behalf by its authorized representatives, all on or as of the day first above written.

[Remainder of page intentionally left blank; signature pages follow]

SCHEDULE OF EXHIBITS

- EXHIBIT A.....Legal Description of Development Property
- EXHIBIT B.....Description of Minimum Improvements
- EXHIBIT B-1.....Site Plan, Diagrams or Aerial Photos of Development
Property and Minimum Improvements
- EXHIBIT C.....Certificate of Completion
- EXHIBIT D.....Memorandum of Agreement
- EXHIBIT E.....Developer Annual Certification
- EXHIBIT F.....Minimum Assessment Agreement
- EXHIBIT G.....Wastewater Service Agreement
- EXHIBIT H.....Guaranty of Completion

DRAFT

EXHIBIT A
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

The Development Property is described as follows:

The Southeast Quarter of Section 21, Township 90 North, Range 26 West of the 5th P.M., EXCEPT the Southeast Quarter thereof and FURTHER EXCEPT the East 396 feet of the Southwest Quarter thereof, all in Wright County, Iowa.

AND

The Southeast Quarter of the Southeast Quarter and the East 396 feet of the Southwest Quarter of the Southeast Quarter, all in Section 21, Township 90 North, Range 26 West of the 5th P.M., Wright County, Iowa.

DRAFT

EXHIBIT B
DESCRIPTION OF MINIMUM IMPROVEMENTS

Minimum Improvements means the construction of a new approximately 600,000 square foot building on the Development Property. The building will be used for a hog processing facility, which will allow for the creation and retention of Full Time Equivalent (FTE) Jobs within the community. All construction shall be in accordance with federal, State, and County zoning and building requirements. The construction of the Minimum Improvements will be completed by March 31, 2019. Construction costs shall require a Capital Investment of no less than \$200,000,000. For purposes of this paragraph, “Capital Investment” means money expended for purposes of land acquisition, site preparation, building construction, manufacturing machinery and equipment, other machinery and equipment, computer hardware and software, furniture, and fixtures.

The increased value after construction of the Minimum Improvements for the purpose of this Agreement will be no less than \$111,111,111, but the Wright County Assessor will make the final determination as to the value. It is acknowledged by the parties that the minimum assessed value for the Development Property has been calculated such that the minimum taxable value will be One Hundred Million Dollars (\$100,000,000) after application of the Ninety Percent (90%) “rollback percentage” for industrial property set forth in Iowa Code Section 441.21. It is the intent of the parties that the minimum taxable value of the Development Property shall be One Hundred Million Dollars (\$100,000,000). If the rollback percentage is eliminated or modified such that the taxable value of the Development Property increases, the minimum assessed value of the Development Property shall be adjusted accordingly.

EXHIBIT B-1
SITE PLAN, DIAGRAMS OR AERIAL PHOTOS OF
DEVELOPMENT PROPERTY AND MINIMUM IMPROVEMENTS
(Representative only; see Construction Plans for specifics)

DRAFT

EXHIBIT C

CERTIFICATE OF COMPLETION

WHEREAS, Wright County, Iowa ("County") and Prestage Foods of Iowa, LLC (the "Developer") did on or about the _____ day of _____, 2016, make, execute and deliver, each to the other, an Agreement for Private Development (the "Agreement"), wherein and whereby Developer agreed, in accordance with the terms of the Agreement, to develop and maintain certain real property located within the County and as more particularly described as follows:

The Southeast Quarter of Section 21, Township 90 North, Range 26 West of the 5th P.M., EXCEPT the Southeast Quarter thereof and FURTHER EXCEPT the East 396 feet of the Southwest Quarter thereof, all in Wright County, Iowa.

AND

The Southeast Quarter of the Southeast Quarter and the East 396 feet of the Southwest Quarter of the Southeast Quarter, all in Section 21, Township 90 North, Range 26 West of the 5th P.M., Wright County, Iowa.

(the "Development Property"); and

WHEREAS, the Agreement incorporated and contained certain covenants and restrictions with respect to the development of the Development Property, and obligated Developer to construct certain Minimum Improvements (as defined therein) in accordance with the Agreement; and

WHEREAS, Developer has to the present date performed said covenants and conditions insofar as they relate to the construction of said Minimum Improvements in a manner deemed by the County to be in conformance with the Agreement to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all covenants and conditions of the Agreement with respect to the obligations of Developer and its successors and assigns, to construct the Minimum Improvements on the Development Property have been completed and performed by Developer and are hereby released absolutely and forever terminated insofar as they apply to the land described herein. The County Recorder of Wright County is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of said Agreement with respect to the construction of the Minimum Improvements on the Development Property.

All other provisions of the Agreement shall otherwise remain in full force and effect until termination as provided therein.

[Remainder of page intentionally left blank; signature page follows]

EXHIBIT D
MEMORANDUM OF AGREEMENT FOR PRIVATE DEVELOPMENT

WHEREAS, Wright County, Iowa ("County") and Prestage Foods of Iowa, LLC ("Developer") did on or about the ____ day of _____, 2016, make, execute and deliver, each to the other, an Agreement for Private Development (the "Agreement"), wherein and whereby Developer agreed to develop and operate certain real property located within the County.

The Development Property is described as follows:

The Southeast Quarter of Section 21, Township 90 North, Range 26 West of the 5th P.M., EXCEPT the Southeast Quarter thereof and FURTHER EXCEPT the East 396 feet of the Southwest Quarter thereof, all in Wright County, Iowa.

AND

The Southeast Quarter of the Southeast Quarter and the East 396 feet of the Southwest Quarter of the Southeast Quarter, all in Section 21, Township 90 North, Range 26 West of the 5th P.M., Wright County, Iowa.

(the "Development Property"); and

WHEREAS, the term of the Agreement commenced on the ____ day of _____, 2016 and terminates on December 31, 2030, unless otherwise terminated as set forth in the Agreement; and

WHEREAS, the County and Developer desire to record a Memorandum of the Agreement referring to the Development Property and their respective interests therein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. That the recording of this Memorandum of Agreement for Private Development shall serve as notice to the public that the Agreement contains provisions restricting development and use of the Development Property and the improvements located and operated on such Development Property.
2. That all of the provisions of the Agreement and any subsequent amendments thereto, if any, even though not set forth herein, are by the filing of this Memorandum of Agreement for Private Development made a part hereof by reference, and that anyone making any claim against any of said Development Property in any manner whatsoever shall be fully advised as to all of the terms and conditions of the Agreement, and any amendments thereto, as if the same were fully set forth herein.
3. That a copy of the Agreement and any subsequent amendments thereto, if any, shall be maintained on file for public inspection during ordinary business hours in the office of the Recorder of Wright County, Iowa.

IN WITNESS WHEREOF, the County and Developer have executed this Memorandum of Agreement for Private Development on the _____ day of _____, 2016.

[Remainder of page intentionally left blank; signature pages follow]

DRAFT

(SEAL)

WRIGHT COUNTY, IOWA

By: _____

[Redacted]

ATTEST:

By: _____

[Redacted]

STATE OF IOWA)
) SS
COUNTY OF WRIGHT)

On this _____ day of _____, 2016, before me a Notary Public in and for said State, personally appeared and [Redacted], to me personally known, who being duly sworn, did say that they are the [Redacted] and [Redacted], respectively, of Wright County, Iowa, a political subdivision created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said County, and that said instrument was signed and sealed on behalf of said County by authority and resolution of its Board of Supervisors, and said [Redacted] and [Redacted] acknowledged said instrument to be the free act and deed of said County by it voluntarily executed.

Notary Public in and for the State of Iowa

[Signature page to Memorandum of Agreement – Wright County]

EXHIBIT E
DEVELOPER ANNUAL CERTIFICATION

(due by July 31st as required under terms of Agreement for Private Development)

The Developer certifies the following:

During the time period covered by this Certification, the Developer is and was in compliance with Section 6.7 of the Agreement as follows:

(i) all ad valorem taxes on the Development Property and Minimum Improvements then owned by the Developer in the Urban Renewal Area have been timely paid for the prior fiscal year (and for the current year, if due) and attached to this Annual Certification are proof of payment of said taxes;

(ii) The Minimum Improvements (building only) were first fully assessed on January 1, 20____, at a full assessment value of \$_____;

(iii) The total number of Full-Time Equivalent (FTE) Jobs employed by Developer at the Minimum Improvements as of July 1, 20____ is _____.

(iv) the undersigned officer of Developer has re-examined the terms and provisions of the Agreement and certifies that at the date of such certificate, the Developer is not, or was not, in material default in the fulfillment of any of the terms and conditions of the Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto.

I certify under penalty of perjury and pursuant to the laws of the State of Iowa that the preceding is true and correct to the best of my knowledge and belief.

Signed this _____ day of _____, 20____.

PRESTAGE FOODS OF IOWA, LLC

By: _____

Name: _____

Title: _____

Attachments: (a) Proof of payment of taxes

EXHIBIT F
MINIMUM ASSESSMENT AGREEMENT

Preparer Information: John P. Danos, Dorsey & Whitney LLP; 801 Grand Avenue, Suite 4100; Des Moines, IA 50309; (515) 283-1000

Legal Description of Property: See Exhibit A

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT is dated as of the ____ day of _____, 2016, by and between WRIGHT COUNTY, Iowa, (the "County") and PRESTAGE FOODS OF IOWA, LLC, an Iowa limited liability company having offices for the transaction of business at 4651 Taylors Bridge Hwy., Clinton, North Carolina 28328 (the "Property Owner").

WITNESSETH

WHEREAS, the Property Owner has acquired certain real property the legal description of which is contained in Exhibit A attached hereto (the "Development Property"), which is located in the County's 2016 Wright County Agribusiness Urban Renewal Area; and

WHEREAS, a Development Agreement (the "Development Agreement") has been executed between the County and the Property Owner with respect to the construction of new hog processing facilities on the Development Property for use in the Property Owner's business operations (the "Project"); and

WHEREAS, the County has agreed to fund and/or construct certain public infrastructure improvements, including road and highway improvements and wastewater treatment improvements as set forth in Article IV of the Development Agreement (the "Infrastructure Improvements") and to provide incremental property tax payments (the "Payments") to the Property Owner in connection with the undertaking of the Project; and

WHEREAS, the County will issue its bonded indebtedness (the "Bonds") in order to fund the Infrastructure Improvements; and

WHEREAS, the County and the Property Owner have agreed that incremental property tax revenues to be derived from the Development Property will aid in the repayment of the Bonds; and

WHEREAS, the Wright County Assessor's records show the valuation for the Development Property as of January 1, 2016 to be \$_____; and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the County and the Property Owner desire to establish a minimum assessed valuation for the Property and the Project to be constructed thereon, which shall be effective as of January 1, 2019 and from then until this Agreement is terminated pursuant to the terms herein;

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Effective January 1, 2019, the minimum assessed valuation which shall be assessed for the Development Property shall be One Hundred Eleven Million One Hundred Eleven Thousand One Hundred Eleven Dollars (\$111,111,111) until the termination of this Agreement, as hereinafter set forth. It is acknowledged by the parties that the minimum assessed value for the Development Property has been calculated such that the minimum *taxable* value will be One Hundred Million

Dollars (\$100,000,000) after application of the Ninety Percent (90%) “rollback percentage” for industrial property set forth in Iowa Code Section 441.21. It is the intent of the parties that the minimum taxable value of the Development Property shall be One Hundred Million Dollars (\$100,000,000). If the rollback percentage is eliminated or modified such that the taxable value of the Development Property increases, the minimum assessed value of the Development Property shall be adjusted accordingly.

2. The Property Owner hereby agrees that the assessed valuation (hereinafter referred to as the (“Minimum Actual Value”) set forth in Section 1 above shall become and remain effective as of January 1, 2019 and throughout the term of this Agreement, regardless of the actual degree of completion or incompleteness of the Project. Furthermore, the Property Owner acknowledges that the County has changed its position in reliance on the timeliness of such increase in valuation for the repayment of the Bonds and the provision of the Payments as set forth in the preamble hereof.
3. The Property Owner agrees to pay when due, all taxes and assessments, general or special, and all other charges whatsoever levied upon or assessed or placed against the Development Property, subject to any limitations set forth in the Development Agreement. The Property Owner further agrees that until this Agreement is terminated it will not seek administrative or judicial review of the applicability, enforceability, or constitutionality of this Agreement or the obligation to be taxed based upon the Minimum Actual Value or to raise any such argument by way of defense in any proceedings, including delinquent tax proceedings.
4. Nothing herein shall be deemed to waive the Property Owner’s rights under Section 403.6(19) Code of Iowa, (2015) or otherwise, to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value.
5. This Agreement, and the Minimum Actual Value established herein, shall be effective until the sooner of (i) the Bonds have been repaid, both as to principal and accrued interest, in-full; or (ii) December 31, 2034.
6. This Agreement shall be promptly recorded with the Wright County Recorder, along with a copy of Iowa Code Section 403.6, and the Property Owner shall pay all costs associated with such recordation.
7. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of any other contract between the County and the Property Owner, including the Development Agreement. If there is any conflict between the terms of this Agreement and the Development Agreement, the terms of the Development Agreement shall control.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

[Remainder of page intentionally left blank; signature pages follow]

EXHIBIT A

Development Property Description

The Southeast Quarter of Section 21, Township 90 North, Range 26 West of the 5th P.M., EXCEPT the Southeast Quarter thereof and FURTHER EXCEPT the East 396 feet of the Southwest Quarter thereof, all in Wright County, Iowa.

AND

The Southeast Quarter of the Southeast Quarter and the East 396 feet of the Southwest Quarter of the Southeast Quarter, all in Section 21, Township 90 North, Range 26 West of the 5th P.M., Wright County, Iowa.

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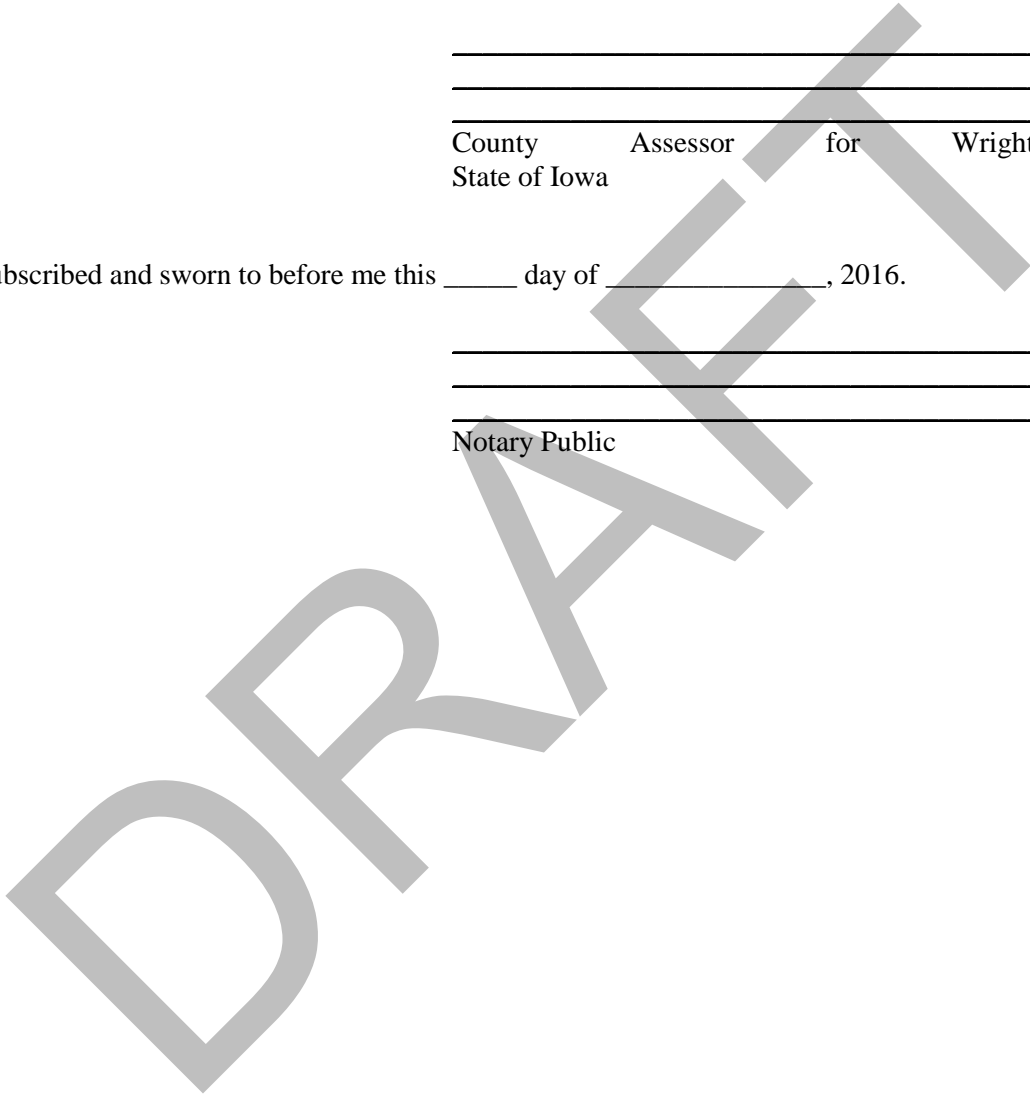
CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements upon completion, shall be not less than One Hundred Eleven Million One Hundred Eleven Thousand One Hundred Eleven Dollars (\$111,111,111) until termination of the Agreement.

County Assessor for Wright County,
State of Iowa

Subscribed and sworn to before me this ____ day of _____, 2016.

Notary Public



Consistent with Iowa Code §403.6(19)(b), filed with this assessor certification is a copy of subsection 19 as follows:

19. a. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than \$

b. This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

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EXHIBIT G
WASTEWATER SERVICE AGREEMENT

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EXHIBIT H
GUARANTY

This Guaranty ("Guaranty"), is made and entered into as of the ___ day of _____, 2016, by Prestage Farms of Iowa, LLC, an Iowa limited liability company, having an address of 1421 S. Bell Avenue, Suite 107, Ames, Iowa 50010, Prestage Farms of South Carolina Limited Liability Company, a South Carolina limited liability company having an address of 180 Peck Woods Road, Camden, South Carolina 29302, Prestage Farms of Oklahoma, LLC, an Oklahoma limited liability company having an address of 1833 South Morgan Road, Oklahoma City, Oklahoma 73128, Prestage Farms of Mississippi, LLC, a Mississippi limited liability company having an address of 1550 W. Churchill Road, West Point, Mississippi 39773, Prestage Foods, Inc., a North Carolina corporation having an address of 4651 Taylors Bridge Highway, Clinton, North Carolina 28328-8064, (each a "Guarantor" and collectively, the ("Guarantors")), in favor of Wright County, Iowa, a municipal corporation ("County") having an address of [REDACTED]. Unless otherwise defined herein, all capitalized terms contained herein have the same meaning as assigned to them in the Agreement (as hereinafter defined).

WITNESSETH:

WHEREAS, the County has received a proposal from Prestage Foods of Iowa, LLC ("Developer") in the form of an Agreement for Private Development (the "Agreement") by and between the County and Developer to be entered into as of _____, 2016, pursuant to which, among other things, Developer would agree to construct certain Minimum Improvements on the Development Property located within the [REDACTED] Urban Renewal Area including, but not limited to, the construction of a new approximately 600,000 square foot building on the Development Property, together with all related site improvements, as outlined in the proposed Agreement; and

WHEREAS, in order to induce the County to enter into the Agreement with the Developer, each Guarantor has agreed to deliver this Guaranty.

NOW, THEREFORE, as part of the consideration and for other good and valuable consideration, the receipt whereof is hereby acknowledged, each Guarantor hereby covenants and agrees as follows:

1. The Guarantors, jointly and severally, hereby unconditionally guarantee to the County, its respective successors, endorsees, and assigns, all obligations of Developer under the Agreement (the "Obligations")

2. All rights and remedies of County hereunder or under any of the documents executed in connection with the Agreement shall be cumulative and may be exercised singly or concurrently. All terms defined in other documents executed in connection with the Agreement and used herein shall have the meanings assigned to them therein except where the context hereof otherwise requires.

3. COUNTY AND EACH GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN

CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COUNTY ENTERING INTO THIS GUARANTY.

4. Each Guarantor hereby waives notice of acceptance of this Guaranty by the County and of presentment, demand, protest, notice of protest and of dishonor, notices of default and all other notices relative to this Guaranty of every kind and description now or hereafter provided by any agreement between each Guarantor and County or any statute or rule of law.

5. Any notice, demand or request by County to any Guarantor or from any Guarantor to County shall be in writing and shall be deemed to have been duly given or made if mailed by certified or registered mail addressed to the address set forth in the introductory paragraph on page 1 hereof (or at the correct address of any assignee of County), except that mailed written notices shall not be deemed given or served until three (3) business days after the date of mailing thereof. If notice is made by overnight delivery, it is deemed given or served two (2) business days after the date of delivery to the overnight carrier.

6. This Guaranty shall be binding upon each of the undersigned Guarantors, and its permitted successors and assigns and shall inure to the benefit of County and its successors and assigns.

7. This document represents the entire agreement between the County and each Guarantor and no modification hereof shall be effective unless in writing and signed by County and each Guarantor.

8. The parties intend that this Guaranty and the relationship of the parties shall be governed by the laws of the State of Iowa applicable to contracts wholly to be performed therein. The parties agree that any action, suit, or proceeding based upon any matter, claim, or controversy arising hereunder or relating hereto shall be brought solely in the state courts located in Wright County, Iowa. The parties irrevocably waive objection to the venue of the above-mentioned courts, including any claim that such action, suit, or proceeding has been brought in an inconvenient forum. The parties further expressly waive any right to a jury trial.

9. Each Guarantor is duly organized and validly existing under the laws of its state of organization or incorporation, with all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under this Guaranty.

10. This Guaranty has been duly and validly authorized, executed, and delivered by each Guarantor and is in full force and effect and is a valid and legally binding instrument of each Guarantor enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws relating to or affecting creditors' rights generally.

11. The execution and delivery of this Guaranty, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Guaranty are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions, or provisions of the governing documents of any Guarantor or of any contractual

restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which any Guarantor is now a party or by which it or its property is bound, nor do they constitute a default under any of the foregoing.

12. There are no actions, suits, or proceedings pending or threatened against or affecting any Guarantor in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position, or results of operations of any Guarantor or which in any manner raises any questions affecting the validity of the Guaranty or any Guarantor's ability to perform its Obligations under this Guaranty.

13. County shall not be entitled to enforce any rights pursuant to this Guaranty if County is in default of any of its obligations pursuant to the previously referenced Agreement entered into between County and Developer.

IN WITNESS WHEREOF, each Guarantor has duly executed and delivered this Guaranty the day and year first above written.

[Remainder of this page intentionally left blank; Separate signature pages for each Guarantor follow]

EXHIBIT H-1
FORM OF ENFORCEABILITY OPINION (GUARANTORS) [ON FIRM LETTERHEAD]

Wright County, Iowa
Clarion, Iowa

Re: Guaranty from Prestage Farms of Iowa, LLC, Prestage Farms of South Carolina, Limited Liability Company, Prestage Farms of Oklahoma, LLC, Prestage Farms of Mississippi, LLC and Prestage Foods, Inc. (each a "Guarantor" and collectively, the "Guarantors") to Wright County, Iowa

As counsel for the Guarantors in connection with the execution and delivery of a certain Guaranty (the "Guaranty") we hereby render the following opinion:

We have examined the original certified copy, or copies otherwise identified to our satisfaction as being true copies, of the following:

- a. The governing documents of each Guarantor;
- b. Resolution of each Guarantor at which action was taken with respect to the transactions covered by this opinion;
- c. The Guaranty;

and such other documents and records as we have deemed relevant and necessary as a basis for the opinion set forth herein.

Based on the pertinent law, the foregoing examination and such other inquiries as we have deemed appropriate, we are of the opinion that:

1. Each Guarantor is duly organized and validly existing under the laws of its state of organization or incorporation. Each Guarantor has full power and authority to execute, deliver, and perform the Guaranty; and the Guaranty has been duly and validly authorized, executed, and delivered by each Guarantor, the Guaranty is a legally-binding instrument enforceable against each Guarantor in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws relating to or affecting creditors' rights generally.
2. To our knowledge, the consummation of the transaction contemplated by each Guarantor and the carrying out of the terms thereof, will not result in violation of any provision of, or in default under the governing documents of any Guarantor, or any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule, regulation, or restriction to which any Guarantor is a party or by which it or its property is bound or subject.

Very truly yours,

EXHIBIT I
ROAD IMPROVEMENTS

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