MEMORANDUM OF AGREEMENT

As of this 20th day of August, 1991, it is agreed by and between ROSE BACON, hereinafter referred to as Seller, and RODNEY BACON, hereinafter referred to as Buyer, as follows:

1. Rose Bacon is the owner of 75 shares of common stock of Bacon Farms, Inc.

2. Rose Bacon agrees to sell to Rodney Bacon and Rodney Bacon agrees to buy from Rose Bacon, Rose Bacon's 75 shares of common stock of Bacon Farms, Inc.

3. The total sale price shall be the sum of $115,000.00 payable as follows: $10,000.00 down, the receipt of which is acknowledged by Seller and the balance of $105,000.00 to be paid as follows: $8,461.57 on August 20, 1992, and a like amount on each August 20th thereafter until all sums due under this contract, including accrued interest on the unpaid balance from August 20, 1991, at seven (7) percent per annum payable annually, are paid in full. All sums paid shall be credited first to accrued interest and the balance to principal. Buyer shall have the right to make prepayments of principal at any time without penalty. Provided, however, in the event that Buyer makes any prepayments of principal, the remaining unpaid principal balance shall be re-amortized so as to provide for equal annual payments of principal and interest combined over the remaining balance of the contract period. All sums due under this contract, including accrued interest, shall be paid in full on or before August 20, 2021.

4. Buyer shall have the right to pay the interest portion only of up to and including five (5) annual payments under any of the following circumstances:

A. If Delaware County, Iowa, is classified as a federal disaster area by the USDA at any time during the twelve-month period preceding the due date of any annual payment;

B. If Bacon Farms, Inc. incurs a substantial loss during the preceding twelve-month period due to a complete or substantial crop failure or substantial livestock losses due to death or sickness; or

C. A serious health problem incurred by Buyer or Buyer's spouse during the preceding twelve-month period which would make Buyer unable to pay the principal portion of the contract payment.

In the event that Buyer qualifies for and elects to defer the principal portion of any annual installment payment up to and including a total of five (5) principal payments, the parties shall maintain the same amortization schedule. For example, the scheduled principal payment on August 20, 1992, is $1,111.57. If Buyer qualifies for and elects to defer said principal payment, the principal payment due and payable on August 20, 1993, shall be that same amount, $1,111.57, and the interest payment due on August 20, 1993, shall be the same as the interest payment due on August 20, 1992. Provided, however, Buyer's election to defer a principal payment shall not extend the final payment date and all sums due under this contract, including accrued interest, shall in any event be due and payable in full on August 20, 2021.

In the event that Buyer qualifies for and elects to defer a principal payment, Buyer shall give Seller written notice of Buyer's intent to defer a principal payment on or before the August 1st preceding the due date of the payment.

5. In the event that all of the corporate assets of Bacon Farms, Inc. are converted to cash or distributed to the shareholders or any third party, or in the event that Bacon Farms, Inc. is liquidated or ceases to exist as a corporation, all sums due on this contract,

FILE No. 193-3497
RECORDING FEE $ 10.00
TRANSFER FEE $
FILED FOR RECORD THE 26 DAY OF May, 1992 AT 10:58 O'CLOCK A. M. BOOK 3 PAGE 68
STATE OF IOWA, DELAWARE COUNTY
Jane A. Lloyd, Recorder
Misc.

including accrued interest, shall immediately become due and payable in full at the option of Seller.

6. In the event that Buyer and Buyer's spouse and Buyer's descendants collectively own less than 51% of all outstanding common stock of Bacon Farms, Inc., at any time, Seller may at Seller's option, declare the then unpaid principal balance plus accrued interest due and payable in full.

Rose Bacon, Seller

Rodney Bacon, Buyer

STATE OF IOWA)
) SS.
COUNTY OF ~~JONES~~ Delaware)

On this 2 day of ~~September~~ October, 1991, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rose Bacon and Rodney Bacon, to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

NOTARIAL SEAL SHARON MCCRABB

Notary Public in and for the State of Iowa
Sharon McCrabb