



## PURCHASE ORDER TERMS AND CONDITIONS

1. These Purchase Order Terms and Conditions govern the Purchase Order ("PO") provided by Tendergrass Farms, Inc. to purchase the goods ("Goods") from Supplier. Supplier will be deemed to have accepted the PO when it (i) sends Buyer notice of acceptance in writing, or (ii) delivers any or all of the Goods covered by the PO, whichever occurs first. Any additional or different terms proposed by Supplier are hereby objected to and rejected.
2. Supplier will deliver the Goods on the date(s) specified in the PO and if Supplier fails to do so, Buyer may terminate the PO immediately by providing written notice to Supplier and Supplier will indemnify Buyer from any losses incurred due to Supplier's failure to deliver.
3. Title to the Goods passes to Buyer upon delivery to the delivery location. Supplier bears all risk of loss or damage to the Goods until the Goods are delivered to the Delivery Location. Delivery of the Goods is not complete until such Goods have actually been received and accepted by Buyer in accordance with the provisions herein.
4. Buyer's acknowledgement of the receipt of any Goods will not constitute acceptance. All Goods are subject to Buyer's right of inspection and rejection on or after the delivery date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are defective or otherwise do not conform to the specifications, conditions and warranties of the PO and/or these Terms. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon notice to Supplier, to: (i) cancel the PO in its entirety; (ii) accept the defective and/or non-conforming Goods at a reasonably reduced Price; or (iii) reject the non-conforming Goods and require the replacement thereof, at Supplier's expense.
5. Supplier agrees to maintain Commercial General Liability insurance with a combined single limit of not less than \$3,000,000.00, and Excess Liability insurance, with combined single limit of not less than \$7,000,000.00, so that together the aggregate single limit of coverage is not less than \$10,000,000.00.
6. Supplier will comply with all applicable laws, regulations and ordinances applicable to its performance hereunder. Specifically, Supplier guarantees and warrants that all food Goods will (i) comply with all applicable pure food laws, including, the U.S. Food, Drug and Cosmetic Act, as amended (the "FDA Act"), Federal Hazardous Substances Act, the Poultry Products Inspection Act, the Federal Meat Inspection Act, the Federal Poison Prevention Packaging Act, the Federal Consumer Product Safety Act and the Federal Humane Slaughter Act, as well as any poultry welfare standards established from time to time by the National Chicken Council, the American Meat Institute and /or the National Turkey Federation, as applicable, (ii) are good and fit for human consumption, (iii) if produced and/or packaged pursuant to Buyer's standards and/or specifications, are produced and/or packaged pursuant to and meet such standards and/or specifications; and (iv) be free from organisms or chemicals which would make the materials unsuitable for processing, including, but not limited to, food safety.
7. Supplier also warrants, guarantees and certifies to Buyer that the Goods will be tested for pesticide residual, as applicable, and that such goods shall not be sold by Supplier to Buyer if such tests indicate any presence of pesticide residual that exceeds the applicable recommended action levels set forth in Title 40, Part 180 of the Code of Federal Regulations (40 CFR 180) and H5 and H7 Avian Influenza in accordance with the National Poultry Improvement Plan's Avian Influenza Monitoring Plan.
8. Barring any separate agreement, Buyer reserves the right to deduct for short weights and/or purge, and to make an equitable adjustment to the amount due.
9. Supplier agrees to indemnify, defend and hold harmless Buyer from and against any and all losses, including attorney's fees and costs, suffered by Buyer, arising out of or resulting in any way from (i) Supplier's supply of Goods, (ii) any defect in the Goods, (iii) the negligence or willful misconduct of Supplier, its agents or employees, (iv) any claim for bodily injury or death, damage to property in connection with Supplier's supply of the Goods, (v) Supplier's breach of any representation, warranty, covenant or other obligation in the PO and/or these Terms, and/or (vi) the infringement of any third party proprietary rights with respect to Goods.
10. If any Goods are the subject of a Recall (including removal of goods from stream of commerce, issuance of corrective action plan or other remedial action initiated), Supplier shall be responsible for all expenses and losses incurred by Buyer. Supplier shall promptly, and in no event later than 24 hours after its decision to initiate a Recall or its receipt of a Recall notice from a government entity, inform Buyer of the Recall. Additionally, Supplier shall promptly inform Buyer of Supplier becoming aware of any defect in any Good that could reasonably be expected to cause damage, illness, injury or death to humans, animals, or property, or the noncompliance of the Goods with any applicable safety or regulatory standard or Law, whether imposed by a government entity or by Buyer. If a government agency initiates any inquiry or investigation relating to any Good or similar or related goods of Supplier, Supplier shall notify Buyer immediately thereof and take reasonable steps to resolve the matter without exposing Buyer to any liability or risk.
11. Supplier agrees that, Buyer has the right, with or without notice, and at the Supplier's expense, to audit the facility where the Goods are processed and examine the books and records of the Supplier to verify compliance with its obligations hereunder.
12. Buyer reserves the right to cancel all or any part of the undelivered portion of the PO if Supplier does not provide conforming Goods and as specified, time being of the essence, or if Supplier breaches any of the terms hereof.
13. This PO will be governed and construed according to the laws of the Commonwealth of Virginia without regard to principles of conflicts of law.