



Pacific Foods Purchase Order Terms and Conditions

1. Goods and services

The goods and services described in this Purchase Order (the "PO") are provided by Supplier subject to the following terms and conditions. Supplier agrees to be bound by and to comply with all such conditions. Other terms and conditions are not binding upon Pacific Foods, unless accepted in writing.

2. Purchase price and terms of payment

All payments are made in U.S. funds or as otherwise specified. All prices shown in this Purchase Order are firm and are not subject to increase without Pacific Foods approval.

3. Method of shipment or packing

Goods are packaged in a manner that assures that they are protected against deterioration and contamination. Unless specified otherwise, all goods are delivered to the FOB point specified in the PO. Title and risks remain with Supplier until delivery. Packaging and shipping shall conform to appropriate FDA regulations as required.

4. Inspection and rejection

The goods and services furnished are exactly as specified in the PO. They are free from all defects in design, workmanship and materials. Goods are manufactured and / or distributed per the guidelines of Pacific Foods Certified to the Source program as applicable. This includes adherence to all Organic and Kosher manufacturing practices as applicable. The goods and services are subject to inspection and test by Pacific Foods at any time and place. If the goods and services furnished are found to be defective, Pacific Foods may reject them, or require Supplier to correct them without charge, or require a reduction in price, which is equitable under the circumstances. If Supplier is unable or refuses to correct such items within a time deemed reasonable by Pacific Foods, Pacific Foods may terminate this PO in whole or in part. Supplier bears all risks as to rejected goods and services. Supplier reimburses Pacific Foods for all transportation costs, other related costs incurred, and overpayments in respect of the neglected goods and services.

5. Change

Pacific Foods may make changes to this PO including to drawings and specifications for specially manufactured goods, place of delivery, by giving notice to Supplier. If such changes affect the cost of or the time required for performance of this PO, an equitable adjustment in the price or date of delivery or both will be made. No change by Supplier is allowed without written approval of Pacific Foods. Any claim of Supplier for an adjustment under this Article must be made in writing within thirty (30) days from the date of receipt by Supplier of notification of such change. Nothing in this Article excuses Supplier from delivering the goods and services described in this PO.

6. Maintenance and operation

The Supplier supplies to Pacific Foods instructions for installation, operation, maintenance and repair of the goods, as applicable.

7. Warranty

Supplier warrants to Pacific Foods that goods supplied under this PO are free from defects in material, workmanship and design, suitable for the purposes intended implied, in compliance with all applicable specifications and free from liens or encumbrance on title. All services are performed in accordance with current, sound and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.

8. Confidentiality

In the performance of the services, the Supplier and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information"), which Pacific Foods must protect from disclosure. The supplier undertakes to hold all of the Confidential Information it receives in strict confidence and neither to disclose nor release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which Pacific Foods has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know such Confidential Information for the said purpose. The Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. The Supplier shall indemnify and hold harmless Pacific Foods, its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by the Supplier, its employees or subcontractors.

9. Indemnification

Except for damages caused by the negligence of Pacific Foods, Supplier shall defend, indemnify and hold Pacific Foods harmless from all claims, actions, demands, loss and cases of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Supplier.

10. Insurance

Supplier and any Subcontractor used by Supplier in connection with this PO carry Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance. At Pacific Food's request, Supplier provides to Pacific Foods certificates from Supplier's insurers showing that such coverage is in effect and agreeing to give Pacific Foods thirty (30) days' prior notice of cancellation of the coverage. Pacific Foods may require minimum liability coverage depending on circumstances.

11. Assignment and sub-agreement

This PO is assignable by Pacific Foods. Supplier may not assign this PO without written approval of Pacific Foods. In case such consent is given, Supplier remains liable as if no such transfer has been made.

12. Default

A party is in default of its obligations under this PO if any of the following events occur, namely:

- a. such party is adjudged bankrupt or insolvent by a court of competent jurisdiction, or otherwise becomes insolvent, as evidenced by its inability to pay its debts generally as and when they become due; or
- b. Such party is in default of its obligations hereunder and fails to cure such default within thirty days of written notice from the other party, or if such default cannot be cured within thirty days, within such longer period as may be reasonable, provided the defaulting party commences promptly and diligently proceeds with curing the default.

Upon the occurrence of any of the above events, the party not in default may, by written notice to the defaulting party, terminate this PO without prejudice to any other right or remedy available to it at law and without liability for such termination. Neither the Supplier nor Pacific Foods shall be liable to the other for indirect damages, for loss of profit or for damages arising from loss of use or production.

13. Termination

This PO may be terminated or suspended by Pacific Foods in whole or in part. Pacific Foods then delivers to the Supplier a written notice specifying the extent to which performance and/or the deliveries of goods and services under this PO is terminated and/or suspended and the date upon which such action shall become effective. In the event of such action, Pacific Foods shall pay Supplier for the goods and services satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to Pacific Foods for equitable increase in the prices to account for costs of demobilization and direct termination expenses. The termination of this PO shall discharge any further obligations of either party.

14. Force majeure

Supplier shall not be liable for default or delay due to causes beyond Supplier's reasonable control and without fault or negligence on the part of Supplier. The Supplier gives Pacific Foods prompt notice in writing when any such cause appears likely to delay deliveries and/or performances of services and takes appropriate action to avoid or minimize such delay. If any such default or delay threatens to impair Supplier's ability to meet delivery requirements for its material, supplies and services, Pacific Foods shall have the right, without any liability to Supplier, to cancel the portion or portions of this PO so affected. Pacific Foods shall not be liable for default or delay in the performance of its obligations due to cause beyond its reasonable control.

15. Governing law

This PO shall be governed by the laws of the State of Oregon.