

CO-PACKING AGREEMENT

This Agreement is made and entered into by **Company Name**, and Kenny Bob's Foods, Inc. (KBF) a Tennessee Corporation located at 4917 Hwy 41N, Suite 170, Springfield TN, 37172.

WHEREAS the Client and KBF desire to enter into an agreement defining the terms and conditions applicable to the production and supply of **Company Name** Products.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

AGREEMENTS

1. Manufacture and Sale Agreement

KBF agrees to manufacture, produce, inspect, package, and sell the Products exclusively to Client, at the price and in conformance with the specifications and on the terms and conditions outlined in this Agreement.

2. Confidential Information

Both parties agree to hold in confidence and not to disclose to third parties or make commercial or other use of such confidential information without the other party's prior written permission. All terms and conditions of the Confidentiality Agreement previously signed by the Client and KBF are applicable to this agreement.

3. Intellectual Property

KBF reserves the right to use Client's logo, company name, and product photos in advertisement of KBF's services.

4. Compliance with Food Laws & Product Specifications

Products shall be manufactured as directed by the Client, as set forth in the Agreement and in conformance with all U.S. federal, state and local statutes, codes, laws, regulations, and ordinances relating to the manufacture of food products intended for human consumption.

KBF will supply Products of the highest quality using raw materials and packaging materials strictly according to the formulations, product, and quality specifications (collectively, the "Specifications") for each Product furnished by the Client to KBF. The Client may modify the Specifications at any time. If any such modification directly affects KBF's costs of manufacturing the Product, the price will be adjusted, by mutual agreement, upwards or

downwards to reflect the actual increase or decrease in such cost as a result in the change in Specifications.

KBF will manufacture product in compliance with lot code dating requirements. These requirements may be modified from time to time if requirements are amended by governing bodies. KBF will code date finished product with a two-year shelf life, or "Best if used by", for shelf stable products. Shelf life may be amended upon reasonable notice by the Client.

5. KBFs Representations & Warranties

KBF warrants that the premises upon which Product is manufactured will be maintained in a clean and sanitary condition in accordance with accepted industry standards and practices and all applicable food laws and Good Manufacturing Practices ("GMP")

KBF warrants that all Products shall be manufactured and packaged adhering to USDA, FDA, and Tennessee Department of Agriculture standards. KBF warrants that its USDA certification will be maintained in good standing for the duration of this agreement. KBF will provide Client access to third party audits to verify such certification. The Client's employees or its appointed agents shall have the right to inspect KBF's manufacturing facility, during normal business hours and upon 24 hours advance notice, to ensure compliance with its Specifications. KBF shall correct any deficiencies, within a reasonable timeframe, at its cost.

KBF will not ship, sell, or otherwise transfer any shipments of Products ordered by the Client to any person or entity other than the Client, or their agent unless specifically authorized.

KBF will, always, maintain adequate records and record-retrieval systems that enable KBF to isolate and trace contamination or non-compliance with Specifications, within twenty-four hours of a request by the Client.

6. Quality Assurance

KBF will prepare and submit to the Client such reasonable quality control records and reports as the Client may require.

To ensure compliance with the Client's quality standards, KBF will facilitate, using its best efforts, access to audit the facilities of KBF's sources of raw materials and packaging for the products. KBF will provide a full list of vendors, upon request from the Client.

KBF shall notify the Client within twenty-four hours of any non-compliance with the Client's Specifications, Food Laws, or Good Manufacturing Practices (GMP) as determined by the United States Food and Drug Administration (FDA), whether such non-compliance is caused by KBF manufacturing process or its raw material or packaging. KBF will destroy any non-conforming product at its cost and will reimburse the Client for payments already made on any non-conforming product. If a product recall or withdrawal is necessary, KBF will pay all reasonable costs associated with such recall of the Products.

7. Price

Client will pay KBF the price agreed upon in advance for Products manufactured during the term of this agreement by KBF pursuant to firm orders placed by the Client. Thereafter, on a semi-annual basis (effective dates January 1 and July 1), prices shall be reviewed and adjusted upwards or downwards to reflect updated actual costs of raw materials and packaging. KBF will update actual costs and shall provide Client with this schedule along with appropriate cost documentation to verify such cost changes. This documentation will be provided to Client 30 calendar days in advance of the effective price increase dates (therefore, information will be provided by December 1 and June 1 each year). Annual adjustments for labor rate and overhead costs shall be made each year effective January 1.

8. Invoice and Payment Terms

It is the intent of KBF to work with our Clients in determining a mutually beneficial payment term, therefore KBF offers the following options.

Option #1

All orders will require a 50% deposit for the first 90 days of producing your product. The deposit will help us build raw ingredient and packaging inventory. At the end of the 90-day period we will discontinue the requirement.

Option #2

If Client prepays the invoice price of an order, KBF will give a 3% discount off the invoice price.

Option #3

If Client estimates their production for a 90-day period, and prepays, KBF will give a 10% discount off the invoice price.

Options #2 and #3 will be made available to the Client, but can be discontinued, or amended anytime at KBF's discretion.

9. Orders/Scheduling, Shipping, and Sale

KBF will manufacture products based on firm orders provided by Client. All orders are to have a minimum lead time of 14 days. Order quantities will be based on full batch quantities. Orders will be provided to KBF's designated contact, and prices for the purchase orders will be based on pricing in effect on the date the purchase order is sent by Client.

KBF will ship all Products in accordance with the instructions provided by Client. KBF will schedule shipments for the Client if:

1. Client provides KBF a list of the carriers of its choice ("Approved Carriers")
2. The contract of carriage is between Client and the Approved Carriers
3. All shipping costs of Products pursuant to this Agreement shall be the expense of the Client or the Client's customer.

KBF will be responsible for the proper packing and loading of the Product on the carrier's transport. KBF will notify Client by text or email when an order is ready for shipping. KBF will notify Client by text or email when an order is picked up by carrier. KBF will provide the following data in this notification:

Date of shipment
Purchase order number
Quantity shipped
Mode of transport and name of carrier
Bill of Lading

10. Term of Agreement

The term of this agreement shall be 1 year ("Term") from the effective date of this agreement. This Term shall remain binding upon each party until expressly released by the other party in writing. Thirty (30) days prior to the end of the Term Client will notify KBF of their intent to continue this agreement or terminate. In the event of termination Client agrees to compensate KBF for any orders placed prior to the termination, unused raw materials and packaging supplies that are specific to Client's product at the termination date.

No modification or amendment to this Agreement shall be valid unless in writing, signed by the parties.

12. Termination on Default

Either party may terminate the Agreement by giving written notice to the other party in the event such other party commits a breach of the Agreement, subject to a 30-day cure period. Notwithstanding the foregoing, the non-breaching party will have the right to terminate the Agreement at any time prior to the expiration of the 30-day cure period in the event the breach is not curable within such thirty 30-day period or if the breaching party is not proceeding diligently in good faith to cure such breach.

Either party may terminate the Agreement immediately at any time, if the other party enters into an assignment for the benefit of its creditors, convenes a meeting of its creditors for the purpose of extending its debt payments due to an inability to make such payments as they become due, voluntarily commences bankruptcy proceedings, or has a bankruptcy proceeding involuntarily commenced against it.

13. Insurance coverage

During the Term (including any extensions), KBF will maintain at its own expense commercial general liability insurance, including products and completed operations coverage, with a combined single limit minimum of Two Million Dollars (\$2,000,000). Upon request of Client KBF will furnish Client with certificates of insurance issued by the companies providing the coverage.

14. Governing Law; Jurisdiction

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee and the laws applicable therein.

15. Force Majeure

Delay by either party in performance of its obligations under the Agreement will not be construed as a breach by such non-performing party if such delay in performance is caused by contingencies beyond the reasonable control of the non-performing party, including but not limited to, riot, war or hostilities between nations, embargoes, government orders, regulations, laws ordinances or rulings, pandemic, fire or acts of God, delay of carriers, lack of transportation. The non-performing party will give prompt written notice to the other party of the reason for its delay in performance and the extent and expected duration of its inability to perform. Upon cessation of such situation, the non-performing party will resume performance as soon as practicable following cessation of such situation.

16. Indemnification

KBF will defend, indemnify, and hold harmless Client, its directors, officers, employees, agents or representatives, its affiliates from and against any and all losses, claims, demands, causes of action or proceedings and any and all obligations, liability, damage or expense (including all costs, expenses and attorney's fees) imposed on or asserted against any Client's Indemnified Party or any Client's customers, arising out of circumstances including but not limited to the following:

- a) any defect or alleged defect in any Product, including non-conformity to product specifications and/or related packaging or labeling.
- b) any product liability in respect of KBF's responsibilities and warranties as manufacturer of the Products or KBF's raw materials or packaging.
- c) any claim asserted by a third party relating to the Products.
- d) the investigation of any claim or legal action and the recall of any Products.

17. Notices

All notices or other communications to be delivered under this Agreement will be in writing and will be deemed to have been given when delivered personally to the recipient or when sent to the recipient by e-mail (receipt confirmed), one business day after the date when sent to the recipient by courier service, or two business days after the date when mailed to the recipient by certified or registered mail. Such notices and other communications will be sent to the addresses indicated below:

Kenny Bob's Foods, Inc.
105 Macintosh Dr
Springfield, TN 37172
Phone: 615-622-5525

The parties have authorized their respective undersigned representatives to execute this Agreement effective as of the Effective Date.

_____ Date: _____
Ken Allen, CEO
Kenny Bob's Foods, Inc

_____ Date: _____