



**HOLD HARMLESS
AND
GUARANTY/WARRANTY OF PRODUCT**

December 19, 2018

Buyer: Pacific Food Distributors
12300 SE Carpenter Road
Clackamas OR 97015

Armanino: Armanino Foods of Distinction, Inc.
30588 San Antonio Street
Hayward, California 94544

ARMANINO FOODS OF DISTINCTION, INC., for itself, its affiliates, divisions and/or agents (collectively, "ARMANINO"), for value received, hereby represents, covenants and agrees to and with BUYER, its subsidiaries, affiliates, divisions, and/or agents and assigns (collectively, "BUYER"), as follows:

1. California Safe Drinking Water Act and Toxic Enforcement Act of 1986
ARMANINO acknowledges that BUYER is subject to the Safe Drinking Water and Toxic Enforcement Act of 1986 of the State of California, popularly known as Proposition 65. Proposition 65 requires that all persons doing business in the State of California provide clear and reasonable notice to all persons exposed to chemicals identified by the State to cause cancer or reproductive toxicity. BUYER is required by each of its distributors to certify that its products contain none of the chemicals listed by the State which are known to cause cancer or reproductive toxicity or if any such chemicals are present, they pose no significant risk. As a result of this legal requirement, BUYER is required to obtain from its suppliers certification that the products manufactured by ARMANINO for BUYER either (i) contain no chemicals subject to Proposition 65 or that the chemicals meet State of California and federal regulations and are not present in concentrations that would pose a "significant risk" to consumers as defined in California law, or (ii) carry appropriate product label warnings. ARMANINO hereby certifies that the foregoing is true and correct. In addition, ARMANINO agrees to notify BUYER of any changes to the content of the products manufactured hereunder if any such changes would affect the above certification. Because the list of Proposition 65 chemicals will be amended from time to time (generally on a quarterly basis), it is the responsibility of ARMANINO to notify BUYER of such changes as they may affect compliance with Proposition 65.

2. Representations and Warranties Regarding Adulteration and Misbranding
ARMANINO hereby represents, warrants and covenants that each and every article of ARMANINO contained in each shipment or other delivery hereafter made to, or on the order of, BUYER is hereby guaranteed as of the date of such shipment (i) to not be adulterated or misbranded within the meaning of:
 - (a) the Federal Food, Drug and Cosmetic Act, as amended, and all rules and regulations promulgated thereunder; and not an article which may not, under the provisions of Section 404, 505 or 512 of such Act, be introduced into interstate commerce;
 - (b) the Federal Meat Inspection Act, as amended, and all rules and regulations promulgated thereunder;
 - (c) the Poultry Products Inspection Act, as amended, and all rules and regulations promulgated thereunder; and
 - (d) and similar state or local laws, and all rules and regulations promulgated thereunder.

(ii) to not be adulterated, misbranded or packaged in misbranded packages, within the meaning of the terms of the Federal Insecticide, Fungicide, and Rodenticide Act, the Federal Hazardous Substances Labeling Act, the state pure food and drug acts or any other applicable federal, state or local laws, ordinances, rules or regulations and not an article of food, drug, device or cosmetic, which is in violation of, or which cannot be legally transported or sold under, the provisions of any federal, state, or local laws, ordinances, rules or regulations; (iii) to not be misbranded within the meaning of any federal, state or local laws, ordinances, rules or regulations when bearing labels furnished by ARMANINO, and affixed to such article of food, drug, device

or cosmetic on repackaging by BUYER in accordance with instructions furnished by ARMANINO; (iv) to be free from any Salmonella organism, pathogen or toxin; (v) to be free from any foreign material, poisonous or injurious matter; and (vi) to be free from any artificial coloring and preservatives, which are not derived from a batch certified by ARMANINO, in accordance with the Federal Food, Drug and Cosmetic Act, the Food Additives Amendment and all other revisions and amendments thereto and all regulations issued under such Act.

(iii) to have been processed, packaged and stored in accordance with Good Manufacturing Practices (G.M.P.'s), as may be applicable to ARMANINO under Title 21 CFR Part 110 et.seq., or any other law, regulation or rule applicable to Armanino.

(iv) is in compliance with 9 CFR Part 430, FSIS directive 10,240, issued October 2, 2003.

3. ARMANINO represents and warrants that it has adopted and implemented a Hazard Analysis Critical Control Program ("HACCP") program with respect to the processing, packaging and storage of its products, as such program may be applicable to ARMANINO under any federal, state or local law, regulation or rule applicable to ARMANINO.
4. Indemnification
ARMANINO agrees to indemnify and hold harmless BUYER from and shall at ARMANINO's expense and at BUYER's option, defend against, any and all claims, demands, actions, suits or proceedings brought or commenced by federal, state or local authorities against BUYER alleging that such merchandise manufactured, packed or sold by ARMANINO to or on the order of BUYER was, as of the date of such shipment or delivery, (i) adulterated, misbranded and/or falsely advertised within the meaning of any such state, federal or local law or (ii) not free from any Salmonella organism, pathogen or toxin, any foreign material, poisonous or injurious matter, or any artificial coloring or preservative.
5. Insurance
ARMANINO agrees to provide, and maintain in effect at all times after the date of this Agreement, (a) product liability coverage in the minimum amount of Five Million Dollars (\$5,000,000) per occurrence for products manufactured by ARMANINO for BUYER and (b) workers' compensation insurance, automobile liability insurance and comprehensive general liability insurance with coverage amounts consistent with general industry standards. ARMANINO shall furnish BUYER with a certificate or certificates of insurance which evidence that such insurance is in effect. ARMANINO shall provide endorsements to its insurance policies evidencing BUYER's status as an additional insured. Such endorsements shall provide that such insurance may not be canceled or materially modified without thirty (30) days' prior written notice to BUYER.
6. This Agreement shall be governed by the laws of the State of California. The guaranty contained herein is continuing and shall be in full force and effect and shall be binding upon ARMANINO and its successors and assigns, with respect to each and every article of food, drug, device or cosmetics shipped or delivered to BUYER or on behalf of BUYER to a third party, by ARMANINO (including goods in transit) before the receipt by BUYER of written notice of revocation thereof. This Agreement contains the entire agreement with respect to the subject matter contained in it and supersedes any prior guaranty and indemnity agreement delivered by ARMANINO to BUYER.

Dated this 19th day of December 2018

ARMANINO FOODS OF DISTINCTION, INC.,
a Colorado corporation

By: Edmond J. Pera
President