

PATENT ASSIGNMENT

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| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | ASSIGNMENT |
| CONVEYING PARTY DATA | |
| Name | Execution Date |
| M&P Chitlin Co., Inc. | 03/14/2007 |
| RECEIVING PARTY DATA | |
| Name: | The Smithfield Packing Company, Incorporated |
| Street Address: | 103 Baynard Building |
| Internal Address: | 3411 Silverside Road |
| City: | Wilmington |
| State/Country: | DELAWARE |
| Postal Code: | 19810 |
| PROPERTY NUMBERS Total: 4 | |
| Property Type | Number |
| Patent Number: | 6692344 |
| Patent Number: | 6254470 |
| Patent Number: | 5855506 |
| Patent Number: | 5820453 |
| CORRESPONDENCE DATA | |
| Fax Number: | (404)602-9030 |
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| ATTORNEY DOCKET NUMBER: | 65038.000002 |
| NAME OF SUBMITTER: | Betsy L. Johnson |

CH \$160.00 6692344

Total Attachments: 25

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CONFIRMATORY PATENT ASSIGNMENT

WHEREAS, M&P CHITLIN CO., INC., a New Jersey corporation having its principal offices at 50 Avenue L, Newark, NJ 07105, hereinafter referred to as "ASSIGNOR", has held certain ownership rights in and to certain new and useful inventions and other intellectual property as identified on Schedule A (hereinafter the "PROPERTIES"), attached hereto;

WHEREAS, ASSIGNOR assigned ownership rights in and to the PROPERTIES to SF INVESTMENTS, INC., a Delaware corporation having a place of business at 103 Baynard Building, 3411 Silverside Road, Wilmington, DE 19810, (hereinafter "ASSIGNEE") pursuant to that certain Purchase Agreement ("Purchase Agreement"), of even date herewith, by and between ASSIGNOR and THE SMITHFIELD PACKING COMPANY, INCORPORATED, a Delaware corporation;

WHEREAS, the ASSIGNOR wishes to acknowledge the assignment of all ownership rights in and to the PROPERTIES to ASSIGNEE;

NOW, THEREFORE, in consideration of the sum of One U.S. Dollar, and other good and valuable executed consideration, the full receipt and sufficiency of all of which are hereby acknowledged, and intending to be legally bound hereby, the undersigned ASSIGNOR hereby acknowledges and confirms the assignment, transference, and conveyance to ASSIGNEE of the whole and entire right, title and interest in and to the PROPERTIES, and agrees to sell, assign, transfer and convey, and does hereby sell, assign, transfer and convey, unto ASSIGNEE, any and all, if any, right, title and interest remaining in and with the ASSIGNOR in and to the PROPERTIES; and

ASSIGNOR hereby covenants, agrees and will undertake to execute, whenever requested by ASSIGNEE, all patent applications, assignments, lawful oaths and any other papers which ASSIGNEE may deem necessary or desirable for securing to ASSIGNEE, or for maintaining unto ASSIGNEE, all rights hereby confirmed as assigned, assigned, or agreed to be assigned, all without further compensation to the under-signed ASSIGNOR.

M&P CHITLIN CO., INC.

By: [Signature]
Title: President
Date: 03.14.07

STATE OF New Jersey)
) ss.
COUNTY OF Essex)

BE IT KNOWN, that on this 14 day of March, 2007, before me personally came Thomas J. Burke, to me known to be the person mentioned in and who executed the foregoing Assignment, and he acknowledged to me that he executed the same as his free act and deed for the use and purposes therein mentioned.

[Signature]

Notary Public

NELIA A. BASTOS
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAY 5TH 2008

SCHEDULE A

United States Patents

Patent Number: 6,692,344
Date of Patent: February 17, 2004

Patent Number: 6,254,470
Date of Patent: July 3, 2001

Patent Number: 5,855,506
Date of Patent: January 5, 1999

Patent Number: 5,820,453
Date of Patent: October 13, 1998

United States Patent Applications

None

Foreign Patents and Applications

Canadian Patent Number: 2-247-539
Date of Patent: September 9, 2003

PURCHASE AGREEMENT

PURCHASE AGREEMENT (this "Agreement"), dated as of March 15, 2007, by and between M&P Chitlin Co., Inc., a New Jersey corporation ("Seller"), and The Smithfield Packing Company, Incorporated, a Delaware corporation, and its designated assigns (collectively, "Purchaser").

WHEREAS, Seller owns all U.S. and Canadian patent rights to certain technology relating to the cleaning, processing and packaging of clean chitterlings (the "Patents");

WHEREAS, Seller owns all U.S. registration rights to the trademark "Queenella" (the "Trademark");

WHEREAS, Seller owns certain machinery and equipment used for the cleaning, processing and production of clean chitterlings, including certain machines known as the "Burke Machines," all of which are located at Purchaser's pork production facility located in Tar Heel, North Carolina (collectively, the "Tangible Assets"); and

WHEREAS, Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller the Patents, the Trademark and the Tangible Assets (collectively, the "Assets").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Seller and Purchaser hereby agree as follows:

ARTICLE I

TERMS OF THE TRANSACTION

1.1 Agreement to Sell and to Purchase the Assets. At the Closing (as hereinafter defined), and on the terms and subject to the conditions set forth in this Agreement, Seller shall sell and deliver to Purchaser, and Purchaser shall purchase and receive from Seller, the Assets described on Schedule "A". The parties acknowledge that Purchaser has been in sole and continuous possession of the Tangible Assets since March 1, 1999 and that all of the Tangible Assets conveyed hereby shall be in "as-is" condition as of the Closing Date.

1.2 Purchase Price and Payment. In consideration of the sale of the Assets to Purchaser, Purchaser shall pay to Seller or Seller's designee the aggregate purchase price of \$4,125,000 (the "Purchase Price") by wire transfers of immediately available funds at the Closing all as set forth on Schedule "B". The Purchase Price shall be increased by five (5%) percent per annum (equal to a 0.0137% per diem rate) for each day that the Closing shall be delayed beyond the date set forth in Section 2.1 hereof.

1.3 No Liabilities. Purchaser shall take title to the Assets free and clear of any liabilities or obligations of Seller whether fixed, contingent, known or unknown, existing or arising as of the Closing Date (as hereinafter defined).

1.4 Allocation of Purchase Price. Seller and Purchaser hereby agree that the appropriate allocation of the Purchase Price among the Assets for purposes of Section 1060 of the Code is set forth on Schedule "C". Seller and Purchaser shall report the transactions contemplated hereby on all tax returns (including information returns and supplements thereto required to be filed by the parties under Section 1060 of the Code) in a manner consistent with such allocation.

ARTICLE II

CLOSING AND CLOSING DATE

2.1 Closing Date. The closing of the transactions contemplated hereby (the "Closing") shall take place on or before March 15, 2007 (the "Closing Date").

2.2 The Closing. At the Closing:

(a) The Seller shall deliver to the Purchaser (i) a bill of sale in the form set forth on Exhibit "A" transferring the Tangible Assets to the Purchaser, (ii) an instrument of transfer in the form set forth on Exhibit "B" transferring the Trademark to the Purchaser, and (iii) instruments of transfer in the form set forth on Exhibit "C" transferring the Patents to the Purchaser.

(b) The Purchaser shall pay the Purchase Price to the Seller. Such payment shall be in the form of wire transfers in the form and the amounts set forth on Schedule "B".

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser that:

3.1 Corporate Organization. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as it is now being conducted. Seller is not in violation of any provision of its Certificate of Incorporation or Bylaws.

3.2 Authority Relative to This Agreement. Seller has full corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance by Seller of this Agreement, and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary corporate action of Seller. This Agreement has been duly executed and delivered by Seller and constitutes, and each other agreement or instrument executed or to be executed by Seller in connection with the transactions contemplated hereby has been, or when executed will be, duly executed and delivered by Seller and constitutes, or when executed and delivered will constitute, a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms, except that such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights generally and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance) in certain instances.

3.3 Noncontravention. The execution, delivery and performance by Seller of this Agreement and the consummation by it of the transactions contemplated hereby do not and will not (i) conflict with or result in a violation of any provision of the Certificate of Incorporation or Bylaws of Seller, (ii) conflict with or result in a violation of any provision of, or, with or without the giving of notice or the passage of time or both, constitute a default under or give rise to any right of termination, cancellation, or acceleration under, any bond, debenture, note, mortgage, indenture, lease, contract, agreement, or other instrument or obligation to which Seller is a party or by which Seller or any of the Assets may be bound, (iii) result in the creation or imposition of any Encumbrance upon any of the Assets, or (iv) assuming compliance with the matters referred to in Section 3.4, to the best knowledge of Seller, violate any Applicable Law binding upon Seller.

3.4 Governmental Approvals. To the best knowledge of Seller and except as may be required by the United States Patent and Trademark Office, no consent, approval, order, or authorization of, or declaration, filing, or registration with, any Governmental Entity is required to be obtained or made by Seller in connection with the execution, delivery, or performance by Seller of this Agreement or the consummation of the transactions contemplated hereby.

3.5 Patents and Trademarks. Schedule "A" sets forth a complete and correct list of the Patents and Trademarks being transferred to Purchaser. Seller has delivered or made available to Purchaser true, correct and complete copies of each registration, application or any other material documents relating to the Patents and Trademarks. There are no Proceedings pending or overtly threatened in writing against Seller asserting that Seller's use of the Patents and Trademarks infringes the rights of any third party or otherwise contesting their rights with respect to any Patents and Trademarks and no third party has given notice to Seller that such third party is claiming ownership of or right to use any Patents and Trademarks, and, to the knowledge of Seller (i) there are no grounds for any such assertion, and (ii) no third party is infringing upon the rights of Seller in the Patents and Trademarks.

3.6 Title to Assets. Seller is the owner of, and has good and marketable title to, all the Assets, free and clear of all Encumbrances. Upon Seller's transfer of the Assets to Purchaser pursuant to this Agreement, Purchaser will have good and marketable title to all the Assets, free and clear of all Encumbrances, except such Encumbrances as may arise as a result of actions taken by or against Purchaser.

3.7 Legal Proceedings. There are no Proceedings pending or, to the best knowledge of Seller, threatened against the Seller seeking to restrain or prohibit the transactions contemplated by this Agreement.

3.8 Brokerage Fees. Seller has not retained any broker, agent, or finder or agreed to pay any broker, agent, or finder on account of this Agreement or any transaction contemplated hereby.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller that:

4.1 Corporate Organization. Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as now being conducted.

4.2 Authority Relative to This Agreement. Purchaser has full corporate power and authority to execute, deliver, and perform this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance by Purchaser of this Agreement, and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary corporate action of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes, and each other agreement, instrument, or document executed or to be executed by Purchaser in connection with the transactions contemplated hereby has been, or when executed will be, duly executed and delivered by Purchaser and constitutes, or when executed and delivered will constitute, a valid and legally binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except that such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights generally, and (ii) equitable principles which may limit the availability of certain equitable remedies (such as specific performance) in certain instances.

4.3 Noncontravention. The execution, delivery and performance by Purchaser of this Agreement and the consummation by it of the transactions contemplated hereby do not and will not (i) conflict with or result in a violation of any provision of the Certificate

of Incorporation or Bylaws of Purchaser, (ii) conflict with or result in a violation of any provision of, or constitute (with or without the giving of notice or the passage of time or both) a default under, or give rise to any right of termination, cancellation, or acceleration under, any bond, debenture, note, mortgage, indenture, lease, contract, agreement, or other instrument or obligation to which Purchaser is a party or by which Purchaser or any of its properties may be bound, or (iii) assuming compliance with the matters referred to in Section 4.4, violate any Applicable Law binding upon Purchaser.

4.4 Governmental Approvals. To the best knowledge of the Purchaser, and except as may be required by the United States Patent and Trademark Office, no consent, approval, order, or authorization of, or declaration, filing, or registration with, any Governmental Entity is required to be obtained or made by Purchaser in connection with the execution, delivery, or performance by Purchaser of this Agreement or the consummation by it of the transactions contemplated hereby.

4.5 Legal Proceedings. There are no Proceedings pending or, to the best knowledge of Purchaser, threatened against Purchaser seeking to restrain or prohibit the transactions contemplated by this Agreement.

4.6 Brokerage Fees. Purchaser has not retained any broker, agent or finder or agreed to pay any broker, agent or finder on account of this Agreement or any transaction contemplated hereby.

ARTICLE V

CONDUCT OF SELLER AND PURCHASER PENDING CLOSING

5.1 Conduct of Seller. Seller hereby covenants and agrees that except as contemplated by this Agreement, during the period from the date hereof to the Closing, Seller shall use commercially reasonable efforts to preserve, maintain and protect the Assets. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Closing, Seller shall not, without the prior written consent of Purchaser (i) make any material change in the ongoing operations of the Assets, (ii) mortgage or pledge any of the Assets or create or suffer to exist any Encumbrance thereon, (iii) sell, lease, transfer or otherwise dispose of, directly or indirectly, any of the Assets, or (iv) take any action which would or might make any of the representations or warranties of Seller contained in this Agreement untrue or inaccurate as of any time from the date of this Agreement to the Closing or would or might result in any of the conditions set forth in this Agreement not being satisfied.

5.2 Conduct of Purchaser. Purchaser hereby covenants and agrees that except as contemplated by this Agreement, during the period from the date hereof to the Closing, Purchaser shall use commercially reasonable efforts to preserve, maintain and protect the Tangible Assets. Without limiting the generality of the foregoing, and except as otherwise

expressly provided in this Agreement, prior to the Closing, Purchaser shall not, without the prior written consent of Seller (i) make any material change in the ongoing operations of the Tangible Assets, (ii) mortgage or pledge any of the Tangible Assets or create any Encumbrance thereon, (iii) sell, lease, transfer or otherwise dispose of, directly or indirectly, any of the Tangible Assets, or (iv) take any action which would or might make any of the representations or warranties of Purchaser contained in this Agreement untrue or inaccurate as of any time from the date of this Agreement to the Closing or would or might result in any of the conditions set forth in this Agreement not being satisfied.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 Reasonable Best Efforts. Each party hereto agrees that it will not voluntarily undertake any course of action inconsistent with the provisions or intent of this Agreement and will use its reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things reasonably necessary, proper or advisable under Applicable Laws to consummate the transactions contemplated by this Agreement, including, without limitation, (i) cooperating in determining whether any consents, approvals, orders, authorizations, waivers, declarations, filings or registrations of or with any Governmental Entity or third party are required in connection with the consummation of the transactions contemplated hereby, (ii) obtaining any such consents, approvals, orders, authorizations and waivers and to effect any such declarations, filings and registrations, and (iii) executing any additional instruments necessary to consummate the transactions contemplated hereby. Seller shall cooperate with and assist Purchaser and its authorized representatives in order to provide an efficient and orderly transfer of the Assets to Purchaser.

6.2 Public Announcements. Purchaser, on the one hand, and Seller, on the other, shall consult with each other before issuing any press release or otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public statement without the prior agreement of Seller and Purchaser.

6.3 Fees and Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses, including fees and expenses of counsel, financial advisors, and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fee or expense, whether or not the Closing shall have occurred. Any state, local or other sales tax, transfer tax, recording tax, or other filing or similar fees or charges arising out of or in connection with the transactions contemplated by this Agreement shall be borne by Purchaser.

6.4 Transfer of Intellectual Property. Purchaser and Seller acknowledge that the process of transferring the Patents and Trademark may require that the parties cooperate with each other following the Closing. Such cooperation will include the execution of appropriate transfer documents and the filing of such documents with various governmental agencies (all of which transfer documents shall be prepared and filed by Purchaser's counsel) with which the Patents and Trademark may be registered or recorded. Purchaser acknowledges that it shall be responsible for all fees and expenses incurred in connection with this process.

ARTICLE VII

CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of each of the following conditions:

7.1 Representations and Warranties True. All the representations and warranties of Purchaser contained in this Agreement, and in any agreement, instrument, or document delivered pursuant hereto or in connection herewith on or prior to the Closing Date, shall be true and correct on and as of the Closing Date as if made on and as of such date.

7.2 Covenants and Agreements Performed. Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date.

7.3 Legal Proceedings. On the Closing Date, no proceeding shall be pending or threatened against Purchaser seeking to restrain or prohibit the transactions contemplated by this Agreement.

7.4 Payment of Purchase Price. Purchaser shall have paid the Purchase Price to Seller by certified checks or wire transfers in the form and the amounts set forth on Schedule "B".

ARTICLE VIII

CONDITIONS TO OBLIGATIONS OF PURCHASER

The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of each of the following conditions:

8.1 Representations and Warranties True. All the representations and warranties of Seller contained in this Agreement, and in any agreement, instrument, or document

delivered pursuant hereto or in connection herewith on or prior to the Closing Date, shall be true and correct on and as of the Closing Date as if made on and as of such date.

8.2 Covenants and Agreements Performed. Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

8.3 Legal Proceedings. On the Closing Date, no proceeding shall be pending or threatened seeking to restrain or prohibit the transactions contemplated by this Agreement.

8.4 Other Documents. Seller shall have executed and delivered to Purchaser the following instruments:

(a) a bill of sale in the form set forth on Exhibit "A" transferring the Tangible Assets to the Purchaser;

(b) an instrument of transfer in the form set forth on Exhibit "B" transferring the Trademark to the Purchaser; and

(c) instruments of transfer in the form set forth on Exhibit "C" transferring the Patents to the Purchaser.

(d) a non-competition agreement in the form set forth on Exhibit "D" that has also been executed by Thomas J. Burke.

ARTICLE IX

TERMINATION, AMENDMENT, AND WAIVER

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing in the following manner:

(a) by mutual written consent of Seller and Purchaser; or

(b) by Seller, if, on the Closing Date, any of the conditions set forth in Article VII shall not have been satisfied and shall not have been waived by Seller; or

(c) by Purchaser, if, on the Closing Date, any of the conditions set forth in Article VIII shall not have been satisfied and shall not have been waived by Purchaser.

9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.1 by Seller, on the one hand, or by Purchaser, on the other, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, and this Agreement shall become void and

have no effect, except that the agreements contained in this Section 9.2 and in Section 6.3 shall survive the termination hereof.

9.3 Amendment. This Agreement may not be amended except by an instrument in writing signed by or on behalf of all the parties hereto.

9.4 Waiver. Each of Seller, on the one hand, and Purchaser, on the other, may (i) waive any inaccuracies in the representations and warranties of the other contained herein or in any document, certificate or writing delivered pursuant hereto, or (ii) waive compliance by the other with any of the other's agreements or fulfillment of any conditions to its own obligations contained herein. Any agreement on the part of a party hereto to any such waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such party. No failure or delay by a party hereto in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

ARTICLE X

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

10.1 Survival.

(a) The representations and warranties of the parties hereto contained in this Agreement or in any certificate, instrument or document delivered pursuant hereto shall survive the Closing, regardless of any investigation made by or on behalf of any party, until the second (2nd) anniversary of the Closing Date (the "Expiration Date"). From and after the Expiration Date, no party hereto shall be under any liability whatsoever (whether pursuant to this Article X or otherwise) with respect to any representation or warranty to which such Expiration Date relates.

(b) No party hereto shall have any indemnification obligation pursuant to this Article X or otherwise in respect of any representation or warranty to which the Expiration Date relates unless before the Expiration Date for such representation or warranty it shall have received from the party seeking indemnification written notice of the existence of the claim for or in respect of which indemnification in respect of such representation or warranty is sought. Such notice shall set forth with reasonable specificity (i) the basis under this Agreement, and the facts that otherwise form the basis, of such claim, (ii) an estimate of the amount of such claim (which estimate shall not be conclusive of the final amount of such claim) and an explanation of the calculation of such estimate, including a statement of any significant assumptions employed therein, and (iii) the date on and manner in which the party delivering such notice became aware of the existence of such claim.

(c) The provisions of this Section shall have no effect upon any other obligation of the parties hereto under this Agreement, whether to be performed before, at or after the Closing.

10.2 Indemnification by Seller. Subject to the terms and conditions of this Article X, Seller shall indemnify, defend and hold harmless Purchaser from and against any and all claims, actions, causes of action, demands, assessments, losses, damages, liabilities, judgments, settlements, penalties, costs and expenses (including costs of investigation and reasonable attorneys' fees and expenses) of any nature whatsoever, whether actual or consequential (collectively, "Damages"), asserted against, resulting to, imposed upon, or incurred by Purchaser, directly or indirectly, by reason of or resulting from (i) any breach by Seller of any of its representations, warranties, covenants, or agreements contained in this Agreement or in any certificate, instrument, or document delivered pursuant hereto, or (ii) any acts or omissions of Seller or any events or occurrences involving the Trademark or Patents prior to the Closing Date (collectively, "Purchaser Claims").

10.3 Indemnification by Purchaser. Subject to the terms and conditions of this Article X, Purchaser shall indemnify, defend, and hold harmless Seller from and against any and all Damages asserted against, resulting to, imposed upon or incurred by Seller directly or indirectly, by reason of or resulting from (i) any breach by Purchaser of any of its representations, warranties, covenants, or agreements contained in this Agreement or in any certificate, instrument, or document delivered pursuant hereto, (ii) the ownership, management or use of the Assets by Purchaser from and after the Closing Date, or (iii) any acts or omissions of Purchaser or any events or occurrences involving the Assets from and after the Closing Date (collectively, "Seller Claims").

10.4 Limitation of Liability. The indemnification obligations of the parties hereto pursuant to this Article X shall be subject to the following limitations and other provisions:

(a) No indemnification shall be required to be made by Seller pursuant to this Article X with respect to any Purchaser Claims arising out of or resulting from the breach of the representations and warranties of Seller contained in Article III, except to the extent that the aggregate amount of Damages incurred by the Purchaser with respect to all such Purchaser Claims exceeds \$50,000, subject to any additional limitations provided in this Section.

(b) No indemnification shall be required to be made by Purchaser pursuant to this Article X with respect to any Seller Claims arising out of or resulting from the breach of the representations and warranties of Purchaser contained in Article IV, except to the extent that the aggregate amount of Damages incurred by the Seller with respect to all such Seller Claims exceeds \$50,000, subject to any additional limitations provided in this Section.

(c) The amount of Damages required to be paid by any party to indemnify any other party pursuant to this Article X as a result of any Seller Claim or any Purchaser

Claim shall be reduced to the extent of any amounts actually received by such other party after the Closing Date pursuant to the terms of the insurance policies (if any) covering such claim. Each of the parties agrees, on their behalf and on behalf of their respective insurers, to waive all rights of subrogation under the insurance policies of such parties.

(d) No indemnification shall be required to be made by any party to this Agreement pursuant to this Article X with respect to any Purchaser Claims or Seller Claims arising out of or resulting from the breach of the representations and warranties of such party contained in this Agreement if such party can establish that the party making such Claim had actual knowledge on or before the Closing Date of the event, occurrence, condition, or circumstance constituting such breach.

(e) Notwithstanding Sections 10.2 and 10.3 hereof, the indemnification obligations of the parties pursuant to this Article X, subject to any other limitations contained in this Section, shall be limited to actual Damages and shall not include incidental, consequential, indirect, punitive or exemplary Damages.

10.5 Procedure for Indemnification.

(a) Within forty-five (45) days after receipt by an indemnified party under Section 10.2 or 10.3 of notice of the commencement of any action by a third party, such indemnified party shall, if a Claim in respect thereof is to be made against an indemnifying party under such Section, give written notice to the indemnifying party of the commencement thereof, but the failure so to notify the indemnifying party shall not relieve it of any liability that it may have to any indemnified party except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced thereby.

(b) In case any such third party action shall be brought against an indemnified party and it shall give written notice to the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, subject to the provisions of this Section, with counsel reasonably satisfactory to such indemnified party, and after written notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such Section 10.2 or 10.3 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation.

(c) The indemnified party shall have the right to employ separate counsel in any such third party action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party if the indemnifying party has assumed the defense of such action with counsel reasonably satisfactory to the indemnified party; provided, however, that the fees and expenses of the indemnified party's counsel shall be at the expense of the indemnifying party if (i) the

employment of such counsel has been specifically authorized in writing by the indemnifying party, or (ii) the named parties to such action (including any impleaded parties) include both the indemnified party and the indemnifying party and such indemnified party shall have been advised by counsel that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the indemnified party, which firm shall be designated in writing by the indemnified party).

(d) If the indemnifying party elects to assume the defense of such third party action, no compromise or settlement thereof may be effected by the indemnifying party without the indemnified party's written consent (which shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of law or any violation of the rights of any person and no effect on any other claims that may be made against the indemnified party, and (ii) the sole relief provided is monetary damages that are paid in full by the indemnifying party, and the indemnified party shall have no liability with respect to any compromise or settlement thereof effected without its written consent (which shall not be unreasonably withheld). If notice is given to an indemnifying party of the commencement of any third party action and it does not, within twenty days after the indemnified party's notice is given, give notice to the indemnified party of the indemnifying party's election to assume the defense thereof, the indemnifying party shall be bound by any determination made in such action or any compromise or settlement thereof effected by the indemnified party.

(e) Notwithstanding the foregoing provisions of this Section, if an indemnified party determines in good faith that there is a reasonable probability that an action may adversely affect it or its affiliates other than as a result of monetary damages, such indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise or settle such action, but the indemnifying party shall not be bound by any determination of an action so defended or any compromise or settlement thereof effected without its written consent (which shall not be unreasonably withheld).

(f) It is further agreed that (i) any amounts to which an indemnified party is entitled under this Article X shall be paid by the indemnifying party upon request, and (ii) upon its receipt of any amount paid by an indemnifying party pursuant to this Article X, the indemnified party shall deliver to the indemnifying party such documents as it may reasonably request assigning to the indemnifying party any and all rights the indemnified party may have against third parties with respect to the claim for which indemnification is being received.

10.6 Exclusivity. The parties hereto agree that, in relation to any breach, default, or nonperformance of any representation, warranty, covenant or agreement made or entered into by a party hereto pursuant to this Agreement or any certificate, instrument or document delivered pursuant hereto, the only relief and remedy available to the other party hereto in respect of said breach, default or nonperformance shall be:

(a) termination, but only if said termination is expressly permitted under the provisions of Section 9.1; or

(b) damages, but only to the extent properly claimable hereunder and as limited pursuant to this Article X or otherwise hereunder; or

(c) specific performance; or

(d) injunctive or declaratory relief.

The parties hereto also agree that no claim for termination or rescission of this Agreement may be brought or maintained by either party against the other following the Closing Date no matter how severe, grave, or fundamental any such breach, default, or nonperformance may be by one party. Accordingly, the parties hereby expressly waive and forego any and all rights they may possess to assert any such claim.

ARTICLE XI

MISCELLANEOUS

11.1 Notices. All notices, requests, demands and other communications required or permitted to be given or made hereunder by any party hereto shall be in writing and shall be deemed to have been duly given or made if delivered personally, or transmitted by first class registered or certified mail, postage prepaid, return receipt requested, or sent by prepaid overnight delivery service, or sent by telefax to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

If to Purchaser:

THE SMITHFIELD PACKING COMPANY, INCORPORATED
501 N. Church Street
Smithfield, Virginia 23430
Attention: Jere T. Null, Senior Vice President
Phone: (757) 357-1309
Fax: (757) 357-1686

with a copy (which shall not constitute notice) to:
Corporate Legal Department

-
Fax: (757) 365-3018

If to Seller:

M&P CHITLIN CO., INC.
50 Avenue L
Newark, New Jersey 07105
Attention: Mr. Thomas Burke
Phone: (973) 589-2222
Fax: (973) 274-1121

with a copy (which shall not constitute notice) to:

FERBER CHAN ESSNER & COLLER, LLP
530 Fifth Avenue
New York, New York 10036-5101
Attention: Allen P. Essner, Esq.
Phone: (212) 944-2200
Fax: (212) 944-7630

11.2 Entire Agreement/Conflicts. This Agreement, together with the Exhibits hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties, both written and oral. In the event of any actual or apparent conflict, discrepancy or inconsistency between this Agreement and any other document, the terms and conditions of this Agreement shall control.

11.3 Binding Effect; Assignment; No Third Party Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns. Except as otherwise expressly provided in this Agreement, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties, except that Purchaser may assign to any wholly-owned subsidiary of Purchaser any of Purchaser's rights, interests or obligations hereunder, upon notice to the other party or parties, provided that no such assignment shall relieve Purchaser of its obligations hereunder. Except as provided in this Article XI, nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties hereto, and their respective heirs, legal representatives, successors and permitted assigns, any rights, benefits, or remedies of any nature whatsoever under or by reason of this Agreement.

11.4 Severability. If any provision of this Agreement is held to be unenforceable, this Agreement shall be considered divisible and such provision shall be deemed inoperative to the extent it is deemed unenforceable, and in all other respects this

Agreement shall remain in full force and effect; provided, however, that if any such provision may be made enforceable by limitation thereof, then such provision shall be deemed to be so limited and shall be enforceable to the maximum extent permitted by Applicable Law.

11.5 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof.

11.6 Further Assurances. From time to time following the Closing, at the request of any party hereto and without further consideration, the other party or parties hereto shall execute and deliver to such requesting party such instruments and documents and take such other action (but without incurring any material financial obligation) as such requesting party may reasonably request in order to consummate more fully and effectively the transactions contemplated hereby.

11.7 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only, do not constitute a part of this Agreement, and shall not affect in any manner the meaning or interpretation of this Agreement.

11.8 Gender. Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

11.9 References. All references in this Agreement to Articles, Sections and other subdivisions refer to the Articles, Sections and other subdivisions of this Agreement unless expressly provided otherwise. The words “this Agreement”, “herein”, “hereof”, “hereby”, “hereunder”, and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Whenever the words “include”, “includes”, and “including” are used in this Agreement, such words shall be deemed to be followed by the words “without limitation”. Each reference herein to a Schedule or Exhibit refers to the item identified separately in writing by the parties hereto as the described Schedule or Exhibit to this Agreement. All Exhibits are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

11.10 Counterparts and Facsimile Signatures. This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Facsimile copies of signature pages of this Agreement (or counterparts thereof) shall be deemed to be originals for purposes of conducting the Closing of this Agreement under Article II hereof.

ARTICLE XII

DEFINITIONS

12.1 Certain Defined Terms. As used in this Agreement, each of the following terms has the meaning given it below:

“Applicable Law” means any statute, law, rule or regulation or any judgment, order, writ, injunction or decree of any Governmental Entity to which a specified person or property is subject.

“Code” means the Internal Revenue Code of 1986, as amended.

“Encumbrances” means liens, charges, pledges, options, mortgages, deeds of trust, security interests, claims, restrictions (whether on voting, sale, transfer, disposition or otherwise), easements of every type and description, whether imposed by law, agreement, understanding or otherwise.

“Governmental Entity” means any court or tribunal in any jurisdiction (domestic or foreign) or any public, governmental, or regulatory body, agency, department, commission, board, bureau or other authority or instrumentality (domestic or foreign).

“Proceedings” means all proceedings, actions, claims, suits, investigations, and inquiries by or before any arbitrator or Governmental Entity.

“Reasonable best efforts” means a party’s reasonable best efforts in accordance with reasonable commercial practice and without the incurrence of unreasonable expense.

“To the best knowledge” (or similar references to Seller’s or Purchaser’s knowledge) means the actual knowledge of or receipt of written notice by any party (or if said party is an entity, then by its directors, officers, agents or attorneys), as such knowledge has been obtained in the normal conduct of the business of the party or in connection with this Agreement and the furnishing of information to any party as contemplated by this Agreement, after having made a reasonable investigation of the accuracy of the representations and warranties required of said party by this Agreement or in any document, certificate, or other writing furnished by Seller to Purchaser pursuant hereto or in connection herewith.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

M&P CHITLIN CO., INC.

By: _____
Name:
Title:

THE SMITHFIELD PACKING COMPANY,
INCORPORATED

By: _____
Name:
Title:

SCHEDULE A

Schedule of Assets

1. All machinery and equipment including but not limited to certain machines known as the "Burke Machines" which is owned by M&P Chitlin Co., Inc. and located at the pork production facility of the Smithfield Packing Company, Incorporated in Tar Heel, North Carolina.

2. U.S. Trademark: QUEENELLA
Registration Number: 2126169
Registration Date: December 30, 1997

U.S. Trademark: QUEENELLA
Registration Number: 1872663
Registration Date: January 10, 1995

3. U.S. Patent Number: 6,692,344
Date of Patent: February 17, 2004

U.S. Patent Number: 6,254,470
Date of Patent: July 3, 2001

U.S. Patent Number: 5,855,506
Date of Patent: January 5, 1999

U.S. Patent Number: 5,820,453
Date of Patent: October 13, 1998

4. Canadian Patent Number: 2-247-539
Date of Patent: September 9, 2003

SCHEDULE B

Payment Schedule

| <u>Payee</u> | <u>Wire Transfer Instruction</u> | <u>Purchase Price Allocation</u> | <u>Per Diem Payment After March 15, 2007</u> |
|----------------------------|--|----------------------------------|--|
| Thomas Burke | Sovereign Bank 7 Wheeler Point Road Newark, NJ 07105 ABA No.: 231372691 Acct. Name: Thomas J. Burke Account No.: 1056013145 | \$1,694,184.33 | \$232.10 |
| The Weissman Family Trust | JP Morgan Chase Bank 500 Stanton Christiana Road Newark, DE 19721 ABA No.: 021000021 Acct. Name: Ferber Chan Essner & Coller, LLP Attorney Trust Account Account No.: 164-82-635 F/B/O: M&P/The Weissman Family Trust | \$1,355,347.46 | \$185.68 |
| The Weissman Chitlin Trust | JP Morgan Chase Bank 500 Stanton Christiana Road Newark, DE 19721 ABA No.: 021000021 Account Name: Ferber Chan Essner & Coller, LLP Attorney Trust Account Account No.: 164-82-635 F/B/O The Weissman Chitlin Trust | \$338,836.86 | \$46.42 |
| The Berkshire Group | Bank of New York 20 Palmer Avenue Scarsdale, NY ABA No.: 021000018 Acct. Name: The Berkshire Group Account No.: 670-2504730 | \$736,631.35 | \$100.92 |

SCHEDULE C

Agreed Allocation of the Purchase Price for Purposes of Section 1060 of the Code

\$2,000,000 - Queenella Trademarks

\$2,000,000 - Patents

\$ 25,000 - Burke machines

\$ 50,000 - Other equipment in Tar Heel chitterling room

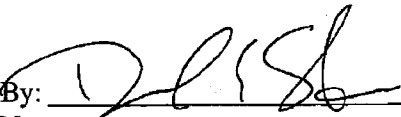
\$ 50,000 - Restricted party non-competition provision

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

M&P CHITLIN CO., INC.


By: _____
Name:
Title:

THE SMITHFIELD PACKING COMPANY,
INCORPORATED

By:  _____
Name: Daniel Sabin
Title: Vice President and CFO

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

M&P CHITLIN CO., INC.

By: 
Name: THOMAS S BURKE
Title: PRESIDENT

THE SMITHFIELD PACKING COMPANY,
INCORPORATED

By: _____
Name:
Title: