

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): September 22, 2006

PILGRIM'S PRIDE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-9273
(Commission File Number)

75-1285071
(IRS Employer
Identification No.)

**4845 US Highway 271 North
Pittsburg, Texas**
(Address of Principal Executive Offices)

75686-0093
(ZIP Code)

Registrant's telephone number, including area code: (903) 434-1000

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

ING Credit Agreement

On September 25, 2006, Pilgrim's Pride Corporation (the "Company"), Avícola Pilgrim's Pride de México, S. de R.L. de C.V. (the "Borrower"), and certain Mexico subsidiaries of the Borrower (the "Subsidiary Guarantors") entered into a secured revolving credit agreement (the "ING Credit Agreement") with ING Capital LLC, as lead arranger and as administrative agent, and the lenders signatory thereto (the "Lenders"). Under the ING Credit Agreement, the Lenders agreed to make revolving loans to the Borrower up to USD\$75 million (or fixed dollar equivalent) in aggregate principal amount. Commencing September 30, 2007, the Borrower is required to reduce the Lender's aggregate commitment under the ING Credit Agreement by USD\$3 million on September 30 of each year, until the aggregate revolving commitment is equal to USD\$50 million. Outstanding amounts under the ING Credit Agreement bear interest at: (i) the LIBOR Rate, (ii) the Base Rate, or (iii) the TIIE Rate, as applicable; plus the Applicable Margin (as such terms are defined in the ING Credit Agreement). The ING Credit Agreement provides for an Applicable Margin for LIBOR loans ranging from LIBOR plus 1.25% to LIBOR plus 2.75% depending upon the total debt to capitalization ratio of the Company. The Applicable Margin for peso revolving loans ranges from TIIE plus 1.05% to TIIE plus 2.55% depending upon the total debt to capitalization ratio of the Company. The ING Credit Agreement's stated final maturity date is September 25, 2011.

Obligations under the ING Credit Agreement are secured by a security interest in and lien upon all capital stock and other equity interests of the Subsidiary Guarantors, and certain promissory notes owned by, the Subsidiary Guarantors. All the obligations of the Borrower are secured by unconditional guarantees by the Company and each of the Subsidiary Guarantors.

Under the ING Credit Agreement, the Borrower, subject to certain exceptions, is required to make a mandatory prepayment of the revolving loans, in an aggregate amount equal to 100% of the net cash proceeds received by Borrower or any Subsidiary Guarantor, as applicable, in excess of thresholds specified in the ING Credit Agreement:

- From the occurrence of certain asset sales by Borrower or any Subsidiary Guarantor;
- From the occurrence of any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceedings of, any property or asset by Borrower or any Subsidiary Guarantor; or
- From the incurrence of certain indebtedness by Borrower.

In addition, subject to certain exceptions, the Borrower must make a prepayment of the revolving loans in an aggregate amount equal to 25% of the Borrower's excess cash flow within 195 days after the end of each fiscal year until the revolving credit commitment is reduced to USD\$50 million.

The Borrower and its subsidiaries are also subject to customary covenants under the ING Credit Agreement, including certain reporting requirements. In addition, the ING Credit Agreement contains a number of covenants that, among other things, restrict the Borrower and its subsidiaries' ability to:

- Declare or pay any dividends or make other restricted payments (subject to certain exceptions);
- Make any investments (subject to certain exceptions);
- Create any restriction on the ability of the Borrower's subsidiaries to pay dividends, pay indebtedness, make loans, or transfer any assets to the Borrower or any other subsidiary;
- Engage in transactions with affiliates;
- Create liens on any assets;
- Incur or assume additional indebtedness;
- Transfer or sell assets (subject to certain exceptions);
- Consolidate, merge or transfer all or substantially all of the assets of the Borrower or its subsidiaries;
- Amend, restate or modify its organizational documents in a manner that could reasonably be expected to be material and adverse to the Lenders; and
- Enter into or acquire any hedging agreements.

The ING Credit Agreement also contains customary events of default, including nonpayment of principal or interest, violations of covenants, cross default, bankruptcy and material judgments, and a change of control.

The ING Credit Agreement is filed as Exhibit 10.1 to this Current Report and is incorporated herein by reference, and the foregoing summary is qualified in its entirety thereby.

CoBank Credit Agreement

On September 25, 2006, Company entered into a credit agreement (the “CoBank Credit Agreement”) dated September 21, 2006 with CoBank, ACB, as lead arranger and co-syndication agent, and sole book runner, and as administrative, documentation and collateral agent, Agriland, FCS, as co-syndication agent, and as a syndication party, and the other syndication parties signatory thereto. The CoBank Credit Agreement provides for an aggregate commitment of USD\$1.225 billion consisting of a USD\$795 million revolving/term loan commitment and a USD\$430 million term loan commitment. The term loan commitment is comprised of a USD\$210 million fixed rate term loan commitment and USD\$220 million floating rate term loan commitment.

At any one time prior to September 21, 2007, the Company may elect to convert up to USD\$295 million of the outstanding balance owing under the revolving/term loan commitment to a non-revolving term loan (“Voluntary Converted Loan”). On September 21, 2007, the revolving/term loan commitment will be automatically reduced to USD\$500 million. From time to time, if certain conditions are satisfied, the Company has the right to increase the revolving/term loan commitment and term loan commitment to a total maximum amount of USD\$1 billion and USD\$750 million, respectively. Borrowings under the revolving/term loan commitment are available on a revolving basis until September 21, 2011 at which time the outstanding borrowings will be converted to a term loan (the “Automatic Converted Loan”). Borrowings under the term loan commitment are available until not later than March 21, 2007. The Company will not be entitled to request a term loan under the term loan commitment unless it has elected to convert USD\$295 million of the outstanding principal owing under the revolving/term loan commitment to the Voluntary Converted Loan. All borrowings are subject to the availability of eligible collateral and no material adverse change provisions.

The credit facility is presently secured by certain fixed assets. Pilgrim’s Interests, Ltd., a partnership formed by the family of Lonnie “Bo” Pilgrim of which Lonnie A. Pilgrim and Lonnie Ken Pilgrim are managing partners, has also agreed to guarantee 50% of the amounts outstanding under the credit facilities. The loans under the CoBank Credit Agreement may be used to refinance existing indebtedness, fund the expansion of the Company’s production and processing facilities, fund any acquisition of Gold Kist Inc. and future acquisitions and for general corporate purposes. The fixed rate term loans will bear interest based on the annual yield of an actual treasury note closest to the average life of the loan, plus 225 basis points. The floating rate term loans will bear interest at LIBOR plus 175 bps if the Company’s debt to EBITDA ratio (calculated on a rolling 4 fiscal quarter basis) is greater than 3.0 and LIBOR plus 150 bps if the Company’s debt to EBITDA ratio (calculated on a rolling 4 fiscal quarter basis) is equal to or less than 3.0. The revolving/term loans provide for interest rates ranging from LIBOR plus one percent to LIBOR plus two percent depending upon the Company’s total debt to capitalization ratio.

The term loans, any Voluntary Converted Loan and any Automatic Converted Loan each have a final maturity on September 21, 2016 (the “Maturity Date”). The term loans and the Voluntary Converted Loans must be repaid in equal quarterly principal payments of 1% per annum of the original principal amount beginning the calendar quarter following the funding date or conversion date, as applicable, with the remaining balance due on the Maturity Date. The Automatic Converted Loan will be payable in equal quarterly principal payments of 10% per annum of the original principal amount beginning the calendar quarter following the conversion date with the remaining balance due on the Maturity Date.

Under the CoBank Credit Agreement, the Company, subject to specified conditions, must make a mandatory prepayment of the net cash proceeds received by the Company in excess of thresholds specified in the CoBank Credit Agreement, if:

- The Company makes certain asset sales and sales of collateral;

- The Company has any casualty or other insured damage to the collateral; or
- The Company issues equity interests in a capital raising transaction.

The Company is also subject to customary covenants under the CoBank Credit Agreement, including certain reporting requirements. Further, the Company must comply with certain financial covenants, including leverage ratio, tangible net worth, current ratio, net tangible assets to total liabilities, fixed charge coverage ratio and net working capital. In addition, the CoBank Credit Agreement contains a number of covenants that, among other things, limit the Company and its subsidiaries' ability to:

- Make loans or investments;
- Pay dividends or redeem shares of capital stock;
- Create liens on any assets;
- Incur or assume additional indebtedness, including guarantees of the indebtedness of others;
- Transfer or sell collateral;
- Consolidate, merge or transfer all or substantially all of the assets of the Company or its subsidiaries;
- Repay certain unsecured debt prior to 105 days after the Maturity Date; and
- Incur non-cancelable obligations on operating leases or sale and leaseback transactions.

The CoBank Credit Agreement also contains customary events of default, including nonpayment of principal or interest, violations of covenants, cross default, bankruptcy and material judgments, and a change of control.

The CoBank Credit Agreement is filed as Exhibit 10.2 to this Current Report and is incorporated herein by reference, and the foregoing summary is qualified in its entirety thereby.

Bridge Loan Commitment

The Company has obtained a commitment letter from Lehman Brothers, Inc. ("Lehman Brothers") and Lehman Brothers Commercial Bank ("LBCB") pursuant to which, subject to specified conditions, LBCB has agreed to make available to the Company a USD\$450 million senior unsecured bridge loan facility (the "Bridge Loan Commitment").

Loans under the Bridge Loan Commitment may be made in up to a maximum of two drawings. An initial drawing may be made on the date the Company has acquired an aggregate of a majority of Gold Kist Inc.'s total issued and outstanding capital stock (the "Initial Closing Date"). If the Company has not borrowed the full Bridge Loan Commitment on the Initial Closing Date, a second drawing of the remainder of the Bridge Loan Commitment may be drawn on the date on which the Company completes the purchase of the remaining shares of capital stock of Gold Kist Inc.

The availability under the Bridge Loan Commitment is conditioned upon satisfaction, among other customary conditions, of the following:

- The Company must have executed and delivered satisfactory definitive financing documentation with respect to the Bridge Loan Commitment;
- The transactions contemplated by any acquisition of Gold Kist Inc. must be consummated pursuant to documentation having terms and conditions reasonably satisfactory to Lehman Brothers, including the acquisition agreement or tender offer documentation, as applicable, and no material provision thereof shall have been waived, amended, supplemented or otherwise modified, except with the consent of the Lehman Brothers;

- Gold Kist Inc.'s board of directors has redeemed its Series A Junior Participating Preferred Stock purchase rights or the rights have been invalidated or are otherwise inapplicable to any acquisition of Gold Kist Inc.;
- The Company must have acquired (or simultaneously with the drawing will acquire) by purchase, merger or otherwise at least 50% of the total issued and outstanding capital stock of Gold Kist Inc. (100% of the total issued and outstanding capital stock of Gold Kist Inc. in case of the second drawing under the Bridge Loan Commitment);
- All governmental and material third party approvals (including shareholders' and other material consents) necessary or, in the reasonable discretion of Lehman Brothers, advisable in connection with the transactions contemplated by any acquisition of Gold Kist Inc., the financing contemplated by any acquisition of Gold Kist Inc. and the continuing operations of the Company and its subsidiaries must have been obtained and be in full force and effect, and all applicable waiting periods, including under the Hart-Scott-Rodino Act, must have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose material adverse conditions on the transactions contemplated by any acquisition of Gold Kist Inc. or its financing; and
- The Company shall have received proceeds of at least USD\$600.0 million under the CoBank Credit Agreement.

Any loans under the Bridge Loan Commitment will mature on the date that is one year following the Initial Closing Date (the "Bridge Maturity Date"). If any loan under the Bridge Loan Commitment has not been previously repaid in full on or prior to the Bridge Maturity Date, subject to specified conditions, the loans will be converted into a term loan (each, a "Term Loan") maturing on the tenth anniversary of the Initial Closing Date. The holders of the loans under the Bridge Loan Commitment or Term Loans may elect to receive notes in exchange for those loans in the case of loans under the Bridge Loan Commitment, at the Bridge Maturity Date or, in the case of Term Loans, at any time or from time to time (the "Exchange Notes"). The Exchange Notes will have a principal amount equal to the principal amount of the Term Loan for which it is exchanged and having a fixed interest rate equal to the interest rate on the Term Loan at the time of transfer.

Prior to the Bridge Maturity Date, the loans under the Bridge Loan Commitment will initially accrue interest at a rate per annum equal to LIBOR plus 275 basis points. If the loans under the Bridge Loan Commitment are not repaid in full within 180 days following the Initial Closing Date, the rate will increase by 75 basis points at the end of that 180-day period and will increase by an additional 50 basis points at the end of each 90-day period thereafter. Interest on the loans under the Bridge Loan Commitment will be no greater than (1) 9.75% per annum, if the Company's senior unsecured rating is Ba3 by Moody's and BB- by S&P or better, or (2) 10.25% per annum, if the Company's senior unsecured rating is B1 by Moody's or B+ by S&P or lower.

The Bridge Loan Commitment is filed as Exhibit 10.3 to this Current Report and is incorporated herein by reference, and the foregoing summary is qualified in its entirety thereby.

Hancock Consent

On September 22, 2006, the Company entered into a consent (the "Hancock Consent") with John Hancock Life Insurance Company, ING Capital LLC and other purchasers (collectively, the "Hancock Purchasers") as named in the Fourth Amended and Restated Note Purchase Agreement with the Company dated November 18, 2003 (as amended, the "Note Purchase Agreement"). Under the Hancock Consent, the Hancock Purchasers consent to any transaction whereby the Company directly or indirectly acquires Gold Kist Inc. (the "Acquisition Transaction") and any financing incurred by the Company to consummate the Acquisition Transaction (the "Acquisition Financing").

In connection with entering into the Hancock Consent, the Hancock Purchasers entered into the CoBank Credit Agreement. Concurrent with the execution of the Hancock Consent, the revolving commitment of ING Capital LLC under the Note Purchase Agreement was terminated. The Note Purchase Agreement will be terminated upon initial funding of the term loan by the Hancock Purchasers under the CoBank Credit Agreement. Upon the initial funding of the term loans under the CoBank Credit Agreement, the Company is required to pay the Hancock Purchasers (1) a 1% fee of the balance on floating rate notes, which will be increased to a 2% fee if less than USD\$100 million of the term loan with

the Hancock Purchasers has been funded on or before March 31, 2007 and (2) with respect to fixed rate notes, a make-whole premium unless the interest rate for term loans under the CoBank Credit Agreement is greater than or equal to 6.68%.

Harris Consent

On September 22, 2006, the Company entered into a consent (the "Harris Consent") with Harris N.A. in its capacity as agent (the "Agent") and in its individual capacity, and the other lenders ("Banks") party to the Third Amended and Restated Secured Credit Agreement with the Company dated April 7, 2004 (the "Harris Credit Agreement"). Under the Harris Consent, the Agent and Banks consent to the Acquisition Transaction and the Acquisition Financing in a principal amount of up to USD\$1.315 billion. In addition, the Agent and Banks agreed to suspend the financial covenants in the Harris Credit Agreement upon the closing of the Acquisition Transaction through March 31, 2007, during which time the Agent, Banks, and Company agree to amend the financial covenants to take into account the consummation of the Acquisition Transaction.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information regarding the ING Credit Agreement and CoBank Credit Agreement set forth above under Item 1.01 of this Current Report is hereby incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Credit Agreement by and among the Borrower, Company, Subsidiary Guarantors, ING Capital LLC, and Lenders dated as of September 25, 2006
10.2	Credit Agreement by and among CoBank, ACB, Agriland, FCS and the Company dated as of September 21, 2006
10.3	Pilgrim's Pride Corporation \$450,000,000 Senior Unsecured Increasing Rate Bridge Facility Commitment Letter from Lehman Brothers to the Company dated September 27, 2006
99.1	Press release announcing Company's intention to commence the offer to purchase common stock of Gold Kist Inc. issued by the Company on September 28, 2006
99.2	Letter dated September 28, 2006 from the Company to the Board of Directors of Gold Kist Inc.
99.3	Letter dated September 28, 2006 to employees of the Company (the press release and Frequently Asked Questions referred to in this Exhibit have been filed with this Current Report as Exhibit 99.1 and Exhibit 99.7, respectively)
99.4	Letter dated September 28, 2006 to customers of the Company (the press release referred to in this Exhibit has been filed with this Current Report as Exhibit 99.1)
99.5	Letter dated September 28, 2006 to the Company growers (the press release referred to in this Exhibit has been filed with this Current Report as Exhibit 99.1)
99.6	Tender Offer FAQs
99.7	Frequently Asked Questions for Pilgrim's Pride Employees
99.8	Press release announcing Company's intention to commence the offer to purchase Gold Kist 10 ¹ / ₄ % Senior Notes due March 15, 2014 and related Consent Solicitation issued by the Company on September 28, 2006

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PILGRIM'S PRIDE CORPORATION

Date: September 28, 2006

By: /s/ Richard A. Cogdill
Richard A. Cogdill
Executive Vice President, Chief Financial Officer,
Secretary and Treasurer

Exhibit Index

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**US\$75,000,000
CREDIT AGREEMENT**

among

**AVÍCOLA PILGRIM'S PRIDE DE MÉXICO, S. de R.L. de C.V.,
as Borrower,**

PILGRIM'S PRIDE CORPORATION

and

**CERTAIN SUBSIDIARIES OF AVÍCOLA PILGRIM'S PRIDE DE MÉXICO,
S. de R.L. de C.V.,
as Guarantors,**

THE SEVERAL LENDERS FROM TIME TO TIME PARTIES HERETO

and

**ING CAPITAL LLC,
as Administrative Agent and Lead Arranger**

**ING BANK (MÉXICO), S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, ING
GRUPO FINANCIERO,
as Bookrunner**

**BBVA BANCOMER, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO
FINANCIERO BBVA BANCOMER,
as Arranger**

**BANK OF AMERICA N.A.,
as Arranger**

**COMERICA BANK,
as Co-Arranger**

Dated as of September 25, 2006

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EXHIBITS

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Exhibit B	Form of Notice of Borrowing
Exhibit C	Form of Notice of Interest Period Election
Exhibit D-1	Form of Closing Opinion of New York Counsel to Borrower
Exhibit D-2	Form of Closing Opinion of Mexican Counsel to Borrower
Exhibit E	Form of Closing Certificate
Exhibit F	Form of Process Agent Letter
Exhibit G	Form of Compliance Certificate
Exhibit H	Form of Guarantor Accession Agreement
Exhibit I	Form of Assignment and Assumption

CREDIT AGREEMENT, dated as of September 25, 2006, among AVÍCOLA PILGRIM'S PRIDE DE MÉXICO, S. de R.L. de C.V., a *sociedad de responsabilidad limitada de capital variable* organized under the laws of the United Mexican States (the "Borrower"), PILGRIM'S PRIDE CORPORATION, a Delaware corporation (the "Parent"), CERTAIN SUBSIDIARIES OF THE BORROWER FROM TIME TO TIME PARTIES HERETO, as Guarantors, the several banks and other financial institutions from time to time parties hereto, as Lenders (as such term is hereinafter defined), and ING CAPITAL LLC, as lead arranger and as administrative agent for the Lenders hereunder.

The parties hereto hereby agree as follows:

WHEREAS, Borrower desires that Lenders extend a revolving credit facility of up to Seventy-Five Million Dollars (\$75,000,000) in the aggregate for general corporate and capital purposes, to finance capital expenditures, repay existing indebtedness and finance an intercompany restructuring, and for these purposes, Lenders are willing to make certain loans and other extensions of credit to Borrower of up to such amount upon the terms and conditions set forth herein; and

WHEREAS, all the obligations of the Borrower hereunder will be secured by a security interest in and lien upon all capital stock and other equity interests of, and certain promissory notes owned by, Borrower and certain of its subsidiaries; and

WHEREAS, all the obligations of the Borrower hereunder will be secured by unconditional guarantees by each of the Guarantors (as such term is hereinafter defined);

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Additional Amounts" shall have the meaning assigned thereto in Section 2.12.

“Administrative Agent” shall mean the administrative agent for the Lenders appointed pursuant to Section 8.1, initially, ING Capital LLC, and its successors in such capacity.

“Aggregate Payments” shall have the meaning assigned thereto in Section 9.2.

“Affiliate” shall mean, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Agent-Related Persons” shall mean the Administrative Agent and any successor thereof in such capacity, together with its Affiliates, and the officers, directors, employees, counsel, agents and attorneys-in-fact of any such Person(s).

“Agreement” shall mean this Credit Agreement, as from time to time amended, supplemented or otherwise modified.

“Agreement Currency” shall have the meaning assigned thereto in Section 10.13.

“Applicable Law” shall mean, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, including Mexican official standards (NOMs), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Applicable Margin” shall mean the percentage determined based on the Parent Consolidated Leverage Ratio as set forth in the table below:

<u>Parent Consolidated Leverage Ratio</u>	<u>Applicable Margin for LIBOR Loans</u>	<u>Applicable Margin for Base Rate Loans</u>	<u>Applicable Margin for Peso Revolving Loans</u>
On the Effective Date	1.25%	0.375%	1.05%
> 0.65:1.00	2.750%	0.625%	2.550%
£ 0.65:1.00			
>0.60:1.00	2.50%	0.625%	2.300
£ 0.60:1.00			
>0.55:1.00	2.25%	0.625%	2.050%
£ 0.55:1.00			
>0.50:1.00	2.00%	0.375%	1.800%
£ 0.50:1.00			
>0.45:1.00	1.750%	0.375%	1.550%
£0.45:1.00			
> 0.40:1.00	1.625%	0.375%	1.425%
£ 0.40:1.00			
>0.35:1.00	1.50%	0.375%	1.300%
£0.35:1.00	1.250%	0.375%	1.050%

; provided that for the period from the Effective Date until the first Adjustment Date (as defined below) following the Effective Date, the Applicable Margin shall be determined based on the Parent Consolidated Leverage Ratio as at the Effective Date stated in a certificate from a Responsible Officer of the Borrower delivered to the Administrative Agent on the Effective Date; provided further that changes in the Applicable Margin resulting from changes in the Parent Consolidated Leverage Ratio shall become effective on the date (the “Adjustment Date”) that is three Business Days after the date on which financial statements and a Compliance Certificate are delivered to the Administrative Agent pursuant to Section 5.2 and shall remain in effect until the next change to be effected pursuant to this paragraph. Each determination of the Parent Consolidated Leverage Ratio for the purposes of determining the Applicable Margin shall be made in a manner consistent with the determination thereof pursuant to Section 6.1. Notwithstanding anything set forth above, if, after the date hereof, (i) the Harris Credit Agreement is amended, modified or supplemented such that the interest rates and/or the levels of the pricing grid therein are modified, the Applicable Margins hereunder shall be modified such that the Applicable Margins are the same as set forth in the Harris Credit Facility, plus 0.375% for each level of the pricing grid and the Applicable Margin for Peso Revolving Loans shall be 0.20% less than the Applicable Margin for LIBOR Loans referenced in the pricing grid set forth above (after giving effect to any amendment to the interest rate in the Harris Credit Facility) or (ii) if the Harris Credit Agreement is terminated, the Applicable Margins hereunder shall be modified (if necessary) such that the Applicable Margins are the same as set forth in the Harris Credit Agreement in effect immediately prior to such termination, plus 0.375% for each level of the pricing grid and the Applicable Margin for Peso Revolving Loans shall be 0.20% less than the Applicable Margin for LIBOR Loans referenced in the pricing grid set forth above (after giving effect to the Harris Credit Facility in effect immediately prior to such termination).

“Asset Sale” shall mean any sale, transfer or other disposition (including by way of merger, consolidation or sale-leaseback transaction) in one transaction or a series of related transactions by the Borrower or any of its Subsidiaries of (i) all or any of the Equity Interests of any Subsidiary, (ii) all or substantially all of the property and assets of an operating unit or business of the Borrower or any of its Subsidiaries or (iii) any other property and assets of the Borrower or any of its Subsidiaries, including receivables.

“Assignee” shall have the meaning assigned thereto in Section 10.9.

“Assignment and Assumption” shall have the meaning assigned thereto in Section 10.9.

“Available Credit Commitment” shall mean, as to any Lender at any time, an amount equal to the excess, if any, of (a) the amount of such Lender’s Revolving Loan Commitment at such time ~~over~~ (b) the sum of (x) the principal amount of all Dollar Revolving Loans made by such Lender and outstanding at such time plus (y) the Fixed Dollar Equivalent of all Peso Revolving Loans made by such Lender and outstanding at such time; collectively, as to all the Lenders, the “Available Credit Commitments”.

“Bankruptcy Law” shall mean any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, *suspensión de pagos*, *quiebra*, *concurso mercantil*, reorganization or relief of debtors, including the *Ley de Concursos Mercantiles* and Title 11 of the United States Code, each as now or hereafter in effect.

“Base Rate Loan” shall mean a Revolving Loan bearing interest by reference to the Base Rate.

“Base Rate” shall mean, at any time, the higher of (a) the Prime Rate or (b) the rate which is 1/2 of 1% in excess of the Federal Funds Effective Rate.

“Beneficiary” shall mean each Agent-Related Person and each Lender.

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” shall have the meaning assigned thereto in the preliminary statements hereto.

“Borrowing Date” shall mean any Business Day during the Commitment Period specified by the Borrower as a date on which the Borrower requests the Lenders to make Revolving Loans hereunder.

“Business Day” shall mean any day other than a Saturday or a Sunday or a day on which banking institutions are authorized or required to close in New York, New York and, with respect to Peso Revolving Loans, Mexico City, Mexico and, with respect to LIBOR Loans, London, England.

“Capitalized Lease” shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with Mexican GAAP, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” of any Person shall mean, as at any date of determination, the capitalized amount shown as a liability in respect of all Capitalized Leases on the balance sheet of such Person prepared in conformity with Mexican GAAP.

“Change in Law” shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement (including circulars or other rules issued by any Governmental Authority of Mexico), (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Change of Control” shall mean such time as:

(a) any merger or consolidation of Borrower with or into any other Person or the merger of another Person into the Borrower with the effect that immediately after such transaction the Person or Persons who held Voting Stock in Borrower immediately

prior to such transaction shall hold less than 100% of the total voting power of the Voting Stock generally entitled to vote in the election of directors, managers or trustees of the Person surviving such merger or consolidation; or

(b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) is consummated with respect to all or substantially all of the assets of the Borrower to any Person or group of Persons (other than in compliance with the provisions hereof); or

(c) Parent or its Subsidiaries shall cease to own, directly or indirectly, all of the Voting Stock of Borrower;

(d) any liquidation or dissolution of Borrower; or

(e) any Change of Control (as defined in the Indenture) shall occur.

provided that, notwithstanding anything to the contrary contained herein, no Change of Control shall be deemed to have occurred as a result of any action permitted by Sections 6.10 (other than Section 6.10(d) and 6.10(e)) and 6.11, so long as, the Parent and/or a Subsidiary of the Parent shall own all of the Voting Stock of the Borrower.

“Commitment Period” shall mean the period from and including the Effective Date to and including the Final Maturity Date.

“Compensation Plan” shall mean, with respect to any Person, any program, plan or similar arrangement (other than employment contracts for a single individual) relating generally to compensation, pension, employment or similar arrangements to which such Person (individually or in connection with any other Person) may have any liability.

“Compliance Certificate” shall have the meaning assigned thereto in Section 5.2(e).

“Consolidated Assets” shall mean, at any date of determination, the aggregate amount of all of the assets of the Borrower and its Subsidiaries minus any intercompany loans or advances (not consistent with past practices) made after the Effective Date by Borrower or any of its Subsidiaries to the Parent or any of the Parent’s Domestic

Subsidiaries (net of intercompany loans and advances made after the Effective Date by Parent or any of the Parent's Domestic Subsidiaries to the Borrower or any of its Subsidiaries, and excluding the Peso Revolving Loans and Dollar Revolving Loans made on the Effective Date for purposes of the intercompany restructuring), determined on a consolidated basis in accordance with Mexican GAAP consistently applied.

“Consolidated EBITDA” shall mean, for any period, as calculated for Borrower and its Subsidiaries on a consolidated basis for such period, the sum (without duplication) of all earnings (other than extraordinary items) of Borrower and its Subsidiaries, on a consolidated basis, before interest and income tax obligations of the Borrower and its Subsidiaries on a consolidated basis for such period, and before depreciation and amortization charges of Borrower and its Subsidiaries for such period, on a consolidated basis, in each case as determined in accordance with Mexican GAAP consistently applied.

“Consolidated Intangible Assets” shall mean, license agreements, trademarks, trade names, patents, capitalized research and development, proprietary products (the results of past research and development treated as long term assets and excluded from inventory) and goodwill (all determined on a consolidated basis in accordance with Mexican GAAP consistently applied).

“Consolidated Interest Expense” shall mean, for any period, all interest charges during such period, including all amortization of debt discount and expense and imputed interest with respect to Capitalized Lease Obligations, determined on a consolidated basis in accordance with Mexican GAAP, consistently applied, including, without limitation, dividends relating to preferred stock and other Equity Interests that are convertible, exchangeable or exercisable into common stock that is classified as debt in accordance with Mexican GAAP, consistently applied, or which Borrower elects to treat as Indebtedness hereunder.

“Consolidated Leverage Ratio” shall mean, as at any date of determination, the ratio of (a) Indebtedness of Borrower and its Subsidiaries on a consolidated basis (other than Indebtedness consisting of reimbursement and other obligations with respect to undrawn letters of credit) minus the aggregate principal amount of all cash and Temporary Cash Investments reflected on the Borrower's consolidated balance sheet for the period most recently ended that is not restricted to secure the payment of off-balance sheet liabilities of Borrower or any Subsidiary to (b) the sum of (a) above plus Consolidated Net Worth.

“Consolidated Net Income” shall mean, for any period, net income of the Borrower and its Subsidiaries on a consolidated basis, determined in accordance with Mexican GAAP consistently applied.

“Consolidated Net Indebtedness” shall mean, as at any date of determination, (a) the aggregate stated balance sheet amount of all Indebtedness referred to in clauses (a)(i) through (a)(iii) and (a)(v) of the definition of such term of the Borrower and its Subsidiaries on a consolidated basis as determined in accordance with Mexican GAAP consistently applied minus (b) the aggregate amount of cash and Temporary Cash Investments on hand of Borrower and its Subsidiaries on a consolidated basis as at such date.

“Consolidated Net Tangible Assets” shall mean, for any Person, the excess of the value of the Consolidated Assets over the value of the Consolidated Intangible Assets of such Person, determined on a consolidated basis in accordance with Mexican GAAP consistently applied.

“Consolidated Net Worth” shall mean Consolidated Assets minus Consolidated Total Liabilities of the Borrower and its Subsidiaries on a consolidated basis in accordance with Mexican GAAP consistently applied.

“Consolidated Tangible Net Worth” shall mean, at any date of determination, the Consolidated Net Worth of the Borrower and its Subsidiaries on a consolidated basis minus the Consolidated Intangible Assets of the Borrower and its Subsidiaries on a consolidated basis, each as determined in accordance with Mexican GAAP consistently applied.

“Consolidated Total Liabilities” shall mean, at any date of determination, the aggregate amount of all liabilities of the Borrower and its Subsidiaries, as determined in accordance with Mexican GAAP consistently applied on a consolidated basis as at such date.

“Contractual Obligation” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Contributing Guarantors” shall have the meaning assigned thereto in Section 9.2.

“Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Default” shall mean any of the events specified in Section 7.1, whether or not any requirement for the giving of notice, lapse of time, or both, or any other condition specified in Section 7.1, has been satisfied.

“Dollar Borrowing” shall mean any Revolving Loans hereunder consisting of Dollar Revolving Loans.

“Dollar Equivalent” shall mean, with respect to an amount of Pesos on any date, the Dollar amount which would result from the conversion of such Peso amount into Dollars on such date, as determined by Administrative Agent using the Exchange Rate.

“Dollar Lender” shall mean each Lender that holds a Dollar Revolving Loan.

“Dollar Revolving Loans” shall have the meaning assigned thereto in Section 2.1.

“Dollars” and “US\$” shall mean the lawful currency of the United States of America.

“Domestic Subsidiary” shall mean any Subsidiary that was formed under the laws of the United States of America or any state thereof or the District of Columbia.

“Effective Date” shall mean the date on which all of the conditions set forth in Section 3.1 hereof have been fulfilled.

“Eligible Assignee” shall mean, with respect to any assignments by the Lenders, (a) a Mexican Financial Institution, or (b) unless such registration with Hacienda no longer enables them to have a reduced withholding tax: (i) a financial institution registered with Hacienda for purposes of Section I of Article 195 or Section II of Article 196 of the Mexican Income Tax Law (or any successor or replacement thereof), or (ii) a Person so registered with Hacienda that is primarily engaged in the business of commercial banking and that is: (A) a Subsidiary of a Lender, (B) a Subsidiary of a Person of which a Lender is a Subsidiary or (C) a Person of which a Lender is a Subsidiary. In any event, an Eligible Assignee shall be headquartered in Mexico or a

country that has a treaty with Mexico for the prevention of double taxation that provides for withholding at a rate equal to or lower than that applicable to the relevant assigning Lender.

“Environmental Claim” shall mean any claim, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

“Environmental Costs” shall mean any and all costs or expenses (including, without limitation, attorney’s and consultant’s fees, investigation and laboratory fees, response costs, court costs and litigation expenses, fines, penalties, damages, settlement payments, judgments and awards), of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way relating to, any violation of, noncompliance with or liability under any Environmental Laws or any orders, requirements, demands, or investigations of any person related to any Environmental Laws. Environmental Costs include any and all of the foregoing, without regard to whether they arise out of or are related to any past, pending or threatened proceeding of any kind.

“Environmental Law” shall mean any federal, national, state or local law, statute, common law duty, rule, regulation, ordinance or code, together with any administrative order, directed duty, request, license, authorization and permit of, and agreement with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters, including Mexican official standards (NOMs).

“Environmental Permit” shall mean any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“Event of Default” shall have the meaning assigned thereto in Section 7.1.

“Excess Cash Flow” means, as determined for the Borrower on a consolidated basis and calculated for any fiscal year of Borrower, the amount of Consolidated EBITDA *less* (without duplication) (a) cash taxes paid, *less* (b) Consolidated Interest Expense actually paid in cash, *less* (c) scheduled principal payments of Indebtedness actually paid (other than a repayment of principal under that portion of the Revolving

Loan Commitment that is not under the Reducing Revolver Portion of the Revolving Loan Commitment) and voluntary prepayments of the Revolving Loans pursuant to Section 2.4(a), less (d) capital expenditures paid in cash.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Exchange Rate” shall mean, for any date, the Peso/Dollar exchange rate published on any Business Day by Banco de México in the Federal Official Gazette (Diario Oficial de la Federación) as the rate “para solventar obligaciones denominadas en moneda extranjera pagaderas en la República Mexicana” on such date; provided that, if Banco de México ceases to publish such exchange rate, the exchange rate shall be calculated by taking the average of the Peso/Dollar exchange rates published by BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, Banco Nacional de Comercio Exterior, S.N.C. and ING Bank (México), S.A., Institución de Banca Múltiple, as of the close of business on such date.

“Existing Indebtedness” shall have the meaning assigned thereto in Section 4.21.

“Facility Fee Rate” shall mean initially, until the first Adjustment Date, 0.25% per annum and thereafter the Facility Fee Rate shall be determined based on the Parent Consolidated Leverage Ratio as set forth in the table below and any changes in the Facility Fee Rate resulting from changes in the Parent Consolidated Leverage Ratio shall become effective on each Adjustment Date in the manner set forth in the last paragraph of the definition of “Applicable Margin”:

<u>Parent Consolidated Leverage Ratio</u>	<u>Facility Fee</u>
> 0.65:1.00	0.375%
£ 0.55:1.00	
>0.60:1.00	0.375%
£ 0.60:1.00	
>0.55:1.00	0.375%
£ 0.55:1.00	
>0.50:1.00	0.375%
£ 0.50:1.00	
>0.45:1.00	0.375%
£0.45:1.00	
> 0.40:1.00	0.25%
£ 0.40:1.00	
>0.35:1.00	0.25%
£0.35:1.00	0.25%

“Fair Share” shall have the meaning assigned thereto in Section 9.2.

“Fair Share Contribution Amount” shall have the meaning assigned thereto in Section 9.2.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Fee Letter” shall have the meaning assigned thereto in Section 2.10(a).

“Final Maturity Date” shall mean September 25, 2011.

“Fixed Charge Coverage Ratio” shall mean the ratio of (a) the sum of Consolidated EBITDA and all amounts payable under all non-cancellable operating leases (determined on a consolidated basis in accordance with Mexican GAAP, consistently applied) for the period in question, to (b) the sum of (without duplication) (i) Consolidated Interest Expense for such period, (ii) the sum of the scheduled current maturities (determined in accordance with Mexican GAAP, consistently applied) of Funded Debt during the period in question, (iii) all amounts payable under non-cancellable operating leases (determined as aforesaid) during such period, and (iv) all Capitalized Lease Obligations for the period in question.

“Fixed Dollar Equivalent” shall mean with respect to an amount of Pesos on any date, the Dollar amount that would result from the conversion of such Peso amount into Dollars at an exchange rate of one Dollar to P\$10.9227.

“Foreign Subsidiary” shall mean any Subsidiary that is not a Domestic Subsidiary and with respect to which more than 80% of its assets (determined on a consolidated basis in accordance with Mexican GAAP) are located in territories and jurisdictions outside of the United States of America.

“Funded Debt” shall mean, with respect to any Person, all indebtedness for borrowed money of such Person, and shall include indebtedness for borrowed money created, assumed or guaranteed by such Person either directly or indirectly, including obligations secured by liens upon Property of such Person and upon which such entity customarily pays the interest, all current maturities of all such indebtedness and all rental payments under Capitalized Leases.

“Funding Guarantor” shall have the meaning assigned thereto in Section 9.2.

“Further Taxes” shall mean any and all present or future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges, and all liabilities with respect thereto, imposed by any jurisdiction on account of amounts payable or paid pursuant to Section 2.12.

“Governmental Approval” shall mean any action, order, authorization, consent, approval, license, lease, ruling, permit, certification, exemption, filing or registration by or with any Governmental Authority.

“Governmental Authority” shall mean any nation or government, any state or other political or administrative subdivision thereof, any central bank (or similar monetary or regulatory authority) and any entity exercising executive, legislative, judicial, regulatory or administrative authority of or pertaining to government.

“Guaranteed Obligations” shall have the meaning assigned thereto in Section 9.1.

“Guarantor” shall mean each of the Persons listed in Schedule 1.1(b) and each other Person who guarantees the Obligations.

“Guarantor Accession Agreement” shall mean a Guarantor Accession Agreement in substantially the form of Exhibit H hereto.

“Guaranty” shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing (whether pursuant to a guaranty, a *fianza*, an *aval* or otherwise) any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (A) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements,

or by agreements to keep-well, to purchase assets, goods, securities or services (unless such purchase arrangements are on arm's length terms and are entered into in the ordinary course of business), to take-or-pay, or to maintain financial statement conditions or otherwise) or (B) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part). The term "Guarantee" used as a verb has a corresponding meaning.

"Hacienda" shall mean the *Secretaría de Hacienda y Crédito Público* (Ministry of Finance and Public Credit) of Mexico.

"Harris Credit Agreement" shall mean that certain Third Amended and Restated Secured Credit Agreement, dated as of April 7, 2004, by and among Parent, Harris N.A., as agent and the lenders from time to time party thereto as amended, modified or supplemented from time to time.

"Hazardous Materials" shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreements" shall mean any (a) Interest Rate Agreements, (b) forward commodity contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement or (c) spot or forward foreign exchange agreement and currency swap, currency option or other similar financial agreements or arrangements, in each case entered into by the Borrower or any of its Subsidiaries.

"Indebtedness" shall mean, with respect to any Person at any date of determination (without duplication), (a) all obligations of such Person in respect of (i) borrowed money, (ii) the outstanding principal amount of any bonds, notes, loan stock, commercial paper, acceptance credits, debentures, and bills or promissory notes drawn, accepted, endorsed, or issued by such Person (including in the case of the Loan Parties, the obligations under the Loan Documents), (iii) any credit to such Person from, or other obligation of such Person to, a supplier of goods or services under any installment purchase or similar arrangement in respect of goods or services (except trade accounts payable that were incurred in the ordinary course of business), (iv) non-contingent obligations of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or similar instrument (excluding any such letter of

credit or similar instrument issued for the benefit of such Person in respect of trade accounts in the ordinary course of business), (v) Capitalized Lease Obligations and (vi) any fixed or minimum premium payable on a redemption or replacement of any of the foregoing obligations, (b) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness, (c) without duplication, all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person, and (d) all liabilities of such Person (actual or contingent) under any conditional sale or transfer with recourse or obligation to repurchase, including by way of discount or factoring of book debts or receivables. The amount of Indebtedness of any Person at any date shall be (without duplication) the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation (unless the underlying contingency has not occurred and the occurrence of the underlying contingency is entirely within the control of the Borrower or its Subsidiaries); provided that the amount outstanding at any time of any Indebtedness issued with original discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in accordance with Mexican GAAP.

“Indenture” shall mean, collectively, (i) that certain Indenture, dated August 9, 2001 by and between Parent and JPMorgan Chase Bank, as Trustee, as amended, modified or supplemented from time to time and (ii) that certain Subordinated Indenture, dated as of November 21, 2003, by and between Parent and The Bank of New York, as Trustee, as amended, modified or supplemented from time to time.

“Indemnified Liabilities” shall have the meaning assigned thereto in Section 10.5(a).

“Indemnified Person” shall have the meaning assigned thereto in Section 10.5(a).

“Insolvency Proceeding” shall mean, with respect to any Person: (a) any case, action or proceeding with respect to such Person before or by any court or other Governmental Authority relating to bankruptcy, suspension of payments, debt arrangement or reorganization in a bankruptcy or suspension of payments proceeding, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, including any *suspensión de pagos*, *quiebra* or *concurso mercantil*, or (b) any general assignment for the benefit of creditors, composition, suspension of payments, debt

arrangement, marshaling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in any case undertaken under Applicable Law, including any Bankruptcy Law.

“Interest Rate Agreements” shall mean any interest rate protection agreements and other types of interest rate hedging agreements (including interest rate swaps, caps, floors, collars and similar arrangements) entered into by the Borrower or any of its Subsidiaries.

“Investments” shall have the meaning assigned thereto in Section 6.3.

“Lead Arranger” shall mean ING Capital LLC.

“Lender Hedging Agreements” shall have the meaning assigned thereto in Section 6.14.

“Lenders” shall mean the Persons listed on Schedule 1.1(a) and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise.

“Lending Office” shall mean, with respect to any Lender, initially, the office of such Lender designated as such in Schedule 10.6; thereafter, such other office of such Lender (or a branch thereof) registered with Hacienda for purposes of Section I of Article 195 or Section II of Article 196 of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), or any successor provisions, or organized and licensed under the laws of Mexico, if any, which shall be making or maintaining Peso Revolving Loans in accordance with the provisions of this Agreement.

“LIBOR Loan” shall mean a Revolving Loan bearing interest by reference to the LIBOR Rate.

“LIBOR Payment Date” shall mean, as to any LIBOR Loan, the last day of such LIBOR Period and the date of any repayment or prepayment made in respect of any LIBOR Loan.

“LIBOR Period” shall mean, with respect to any LIBOR Loan, (a) initially the period commencing on the Borrowing Date, with respect to such LIBOR Loan and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is one, two three or six months thereafter, as the Borrower may elect in the Notice of Borrowing for such LIBOR Loan and (b) thereafter, each period commencing on the last day of the next preceding LIBOR Period and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is one, two three or six months thereafter, in each case as specified by the Borrower in the applicable Notice of Borrowing or Notice of Interest Period Election with respect to such LIBOR Loan; provided that, (y) if any LIBOR Period would otherwise end on a day which is not a Business Day, that LIBOR Period shall be extended to the immediately succeeding Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding Business Day, and (z) if any LIBOR Period would otherwise (but for this clause (z)) extend beyond the Final Maturity Date, then such LIBOR Period shall end on the Final Maturity Date.

“LIBOR Rate” shall mean, with respect to each LIBOR Period:

(a) the rate for deposits in Dollars for a period equal to such LIBOR Period quoted on the second Business Day before the first day of such LIBOR Period, as such rate appears on the display designated as page “3750” on the Telerate Service (or such other page as may replace page “3750” on the Telerate Service or such other service as may be nominated by the British Bankers’ Association as the information vendor for the purpose of displaying British Bankers’ Association Interest Settlement Rates for Dollar deposits) as of 11:00 a.m. (London time) on such date, or

(b) if clause (a) does not apply, the arithmetic mean (rounded upwards to the nearest 1/100th of 1%) of the rates for deposits in Dollars for a period approximately equal to such LIBOR Period that are offered to the Administrative Agent by two or more leading banks in the London interbank market;

in each case as determined by the Administrative Agent and notified to the Lenders and the Borrower on such second prior Business Day.

“Lien” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any other contractual or statutory arrangement or provision having substantially the same economic, financial or operational effect as any of the foregoing); including, without limitation, any device, including, without limitation, any Mexican or non-Mexican trust, *asociación en participación* or joint venture, for the purpose of setting aside funds for facilitating payments to any person or group of persons.

“Loan Documents” shall mean the collective reference to this Agreement, the Notes, the Pledge Agreement, any Lender Hedging Agreements, and any other agreements, documents and instruments executed and delivered in connection with the transactions contemplated hereby and thereby.

“Loan Parties” shall mean the collective reference to the Borrower and the Guarantors; each, individually, a “Loan Party”.

“Local Guarantor” shall mean each Subsidiary of Borrower existing as of the Effective Date or thereafter (other than a Domestic Subsidiary).

“Luxembourg Bond” means that certain bond dated September 27, 2001 in the original principal amount of US\$30,000,000 executed by Pilgrim’s Pride Luxembourg Funding S.A.R.L. (or its successors and assigns), as issuer, and held by Grupo Pilgrim’s Pride Funding S. de R.L. de C.V. (or its successors and assigns).

“Majority Lenders” shall mean on any date, Lenders holding over 50% of the sum of (i) undrawn Revolving Loan Commitments on such date and (ii) Revolving Loans outstanding on such date, as determined by the Administrative Agent by converting Peso Revolving Loans into Dollars based on the Dollar Equivalent thereof on such date.

“Material Adverse Effect” shall mean any of (a) a material adverse change in, or a material adverse effect upon the condition (financial or otherwise), business, properties, or results of operations of (i) the Borrower and its Subsidiaries who are Loan Parties, taken as a whole, or (ii) Parent and its Subsidiaries, taken as a whole, (b) a material adverse change in the ability of (i) the Borrower and the Loan Parties (other than Parent), taken as a whole or (ii) the Loan Parties, taken as a whole, to fulfill any of their obligations under this Agreement or any of the other obligations Documents to which such Loan Party is a party or (c) a material adverse effect upon the legality, validity, binding effect or enforceability of any Loan Document or the rights or remedies of the Administrative Agent or the Lenders thereunder.

“Materials of Environmental Concern” shall mean any gasoline or petroleum (including, without limitation, crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances or materials or wastes defined or regulated as such in or under or which may give rise to liability under any applicable Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

“Mexican Financial Institution” shall mean a financial institution organized and existing pursuant to and in accordance with the laws of Mexico.

“Mexican GAAP” shall mean the generally accepted accounting principles that are, unless otherwise specified, applicable in Mexico.

“Mexico” shall mean the *Estados Unidos Mexicanos* (United Mexican States).

“Moody’s” shall mean Moody’s Investors Service, Inc. and its successors.

“Net Cash Proceeds” shall mean, with respect to any event, (a) the proceeds, in the form of cash or cash equivalents, received by the Borrower and its Subsidiaries in respect of such event, including (i) any cash or cash equivalents received in respect of non-cash proceeds, but only as and when received and any amount eliminated from any reserve referred to in clause (b)(iv) below, but only as and when eliminated, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses (including fees and expenses of counsel and investment bankers) paid by the Borrower and its Subsidiaries to third parties (other than Affiliates) in connection with such event, (ii) in the case of an Asset Sale (or a casualty or other damage or condemnation or similar proceeding), the amount of all payments required to be made by the Borrower and the Subsidiaries as a result of such event to repay Indebtedness (other than Revolving Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event, (iii) the amount of all Taxes paid by the Borrower and its Subsidiaries and (iv) the amount of any reserves established by the Borrower and its Subsidiaries to fund Tax and contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by the chief financial officer (or equivalent officer) of the Borrower or the Parent).

“Notes” shall mean the Revolving Notes, each substantially in the form of Exhibit A; individually, a “Note” and each as executed by the Borrower and guaranteed (*por aval*) by the Guarantors.

“Notice of Borrowing” shall have the meaning assigned thereto in Section 2.2 and shall be substantially in the form of Exhibit B.

“Notice of Interest Period Election” shall have the meaning assigned thereto in Section 2.6.

“Obligations” shall mean all of the obligations and liabilities of the Borrower and the Loan Parties to the Lenders (or to Affiliates of Lenders in connection with any Lender Hedging Agreements) and the Administrative Agent now or in the future existing under or in connection with this Agreement and the other Loan Documents (as any of the foregoing may from time to time be respectively amended, modified, substituted, extended or renewed), direct or indirect, absolute or contingent, due or to become due, now or hereafter existing.

“Other Currency” shall have the meaning assigned thereto in Section 10.13.

“Other Taxes” shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

“Parent” shall have the meaning assigned thereto in the preliminary statements hereto.

“Parent Consolidated Leverage Ratio” shall mean, as at any date of determination, the ratio of (a) Debt (as defined in the Harris Credit Agreement) (other than Debt consisting of reimbursement and other obligations with respect to undrawn letters of credit) minus the aggregate principal amount of all cash and Cash Equivalents (as defined in the Harris Credit Agreement) reflected on the Parent’s consolidated balance sheet for the period most recently ended that is not restricted to secure the payment of off-balance sheet liabilities of Parent or any Subsidiary to (b) the sum of (a) above plus Consolidated Net Worth (as defined in the Harris Credit Agreement) of Parent.

“Participant” shall have the meaning assigned thereto in Section 10.9(f).

“Permitted Liens” shall mean:

(a) Liens imposed by law for taxes, assessments, governmental charges or claims that are (i) not yet due, (ii) delinquent but do not exceed US\$2,000,000, or (iii) are being contested in compliance with Section 5.10;

(b) statutory and common law Liens of landlords, carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts that are (i) not yet delinquent, (ii) that are delinquent but do not exceed US\$5,000,000, or (iii) being contested in compliance with Section 5.10;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other types of social security;

(d) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return of money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(e) easements, rights-of-way, municipal and zoning ordinances and similar charges, encumbrances, title defects or other irregularities that do not materially interfere with the ordinary course of the business of the Borrower or any of its Subsidiaries;

(f) leases or subleases granted to others that do not materially interfere with the ordinary course of the business of the Borrower and its Subsidiaries, taken as a whole;

(g) Liens arising from the rendering of a final judgment or order against the Borrower or any of its Subsidiaries that does not give rise to a Default or Event of Default;

(h) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) Liens upon specific items of inventory or other goods and proceeds of the Borrower or any of its Subsidiaries securing such Person's obligations in respect of banker's acceptance issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(k) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Borrower or any of its Subsidiaries relating to such property or assets;

(l) Liens arising by virtue of any statutory, regulatory, contractual or warranty requirements of the Borrower or any of its Subsidiaries, including provisions relating to rights of offset and set-off, bankers' liens or similar rights and remedies;

(m) Liens on property of a Person existing at the time such Person is acquired by, merged with or into or consolidated with the Borrower or any of its Subsidiaries; provided, that such Liens were in existence prior to the contemplation of such acquisition, merger or consolidation and do not extend to any assets other than those of the Person acquired by, merged into or consolidated with the Borrower or its Subsidiary;

(n) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Agreements; and

(o) Liens securing Indebtedness of the Borrower or its Subsidiaries so long as the Liens are in favor of a Loan Party.

"Person" shall mean any corporation, partnership, joint venture, trust, limited liability company, individual or other person or entity of any kind.

“Peso Borrowing” shall mean any Revolving Loan hereunder consisting of Peso Revolving Loans.

“Peso Equivalent” shall mean with respect to an amount of Dollars on any date, the Peso amount that would result from the conversion of such Dollar amount into Pesos on such date, as determined by Administrative Agent using the Exchange Rate.

“Peso Interest Payment Date” shall mean (a) the last day of each Peso Interest Period and (b) the date of any repayment or prepayment made in respect of any Revolving Loan.

“Peso Interest Period” shall mean, with respect to any Revolving Loan, (a) initially, the period commencing on the Borrowing Date with respect to such Revolving Loan and ending on the last day of the calendar month during which such Borrowing Date occurred and (b) thereafter, each period commencing on the last day of the next preceding Interest Period and ending on the last day of the next subsequent calendar month; provided that, (i) if any Peso Interest Period would otherwise end on a day which is not a Business Day, such Peso Interest Period shall end on the immediately preceding Business Day, (ii) if any Peso Interest Period for any Revolving Loan would otherwise (but for this clause (ii)) extend beyond the Initial Principal Payment Date, then such Peso Interest Period shall end on the Initial Principal Payment Date and (iii) if any Peso Interest Period for any Revolving Loan would otherwise (but for this clause (iii)) extend beyond the Final Maturity Date, then such Peso Interest Period shall end on the Final Maturity Date.

“Peso Lender” shall mean each Lender that holds a Revolving Loan.

“Peso Revolving Loans” shall have the meaning assigned thereto in Section 2.1(b).

“Pesos” or “P\$” shall mean the lawful money of Mexico.

“Pledge Agreement” shall mean, collectively, those certain Pledge Agreements, dated as of the date hereof, by each of Parent, Borrower and Pledgors in favor of Agent, as the same may be amended, restated or otherwise modified from time to time, over the equity interests representing the equity capital of certain Guarantors.

“Pledgors” shall mean each of (i) POPPSA 4, LLC, (ii) Pilgrim’s Pride, S. de R.L. de C.V., (iii) Incubadora Hidalgo, S. de R.L. de C.V., (iv) Grupo Pilgrim’s Pride Funding Holdings, S de R.L. de C.V., (v) Carnes y Productos Avícolas de México, S de R.L. de C.V., and (vi) POPPSA 3, LLC.

“Prepayment Event” shall mean (a) any Asset Sale described in Section 6.10, other than dispositions described in clauses (a), (b) and (c) of Section 6.10, (b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceedings of, any property or asset of the Borrower or any Subsidiary, or (c) the incurrence by the Borrower or any of its Subsidiaries of any Indebtedness not permitted under Section 6.8.

“Prime Rate” shall mean the arithmetic average of rates of interest that each of JPMorgan Chase Bank, N.A., Citibank, N.A., and Bank of America, N.A. announce from time to time at such lenders’ principal New York City office as its prime lending rate, as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

“Rate of Exchange” shall have the meaning assigned thereto in Section 10.13.

“Reducing Revolver Portion of the Revolving Loan Commitment” shall mean that portion of the Revolving Loan Commitment in excess of \$50,000,000, which shall be reduced annually as set forth in Section 2.3 hereof or as otherwise required by this Agreement.

“Regulation U” shall mean Regulation U of the Board as in effect from time to time.

“Regulation X” shall mean Regulation X of the Board as in effect from time to time.

“Reinvestment Prepayment Date” shall mean with respect to any Prepayment Event described in clause (a) of the definition thereof, the earlier of (a) the date occurring 360 days after such Prepayment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise permanently ceased to, acquire, improve or repair assets useful in the Borrower’s business with all or any portion of the Net Cash Proceeds of such Prepayment Event.

“Requirement of Law” shall mean, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” of a Person shall mean the Chairman, Chief Executive Officer, President, any Executive Director, Director, Alternate Director, Vice President, Treasurer or Assistant Treasurer of that Person, in each case authorized to the extent required by a board resolution or shareholder meeting; provided that such officer is then authorized to bind such Person.

“Restricted Payments” shall have the meaning assigned to that term in Section 6.2.

“Revolving Loans” shall mean the collective reference to the Dollar Revolving Loans and the Peso Revolving Loans.

“Revolving Loan Commitment” shall mean, as to any Lender, its obligation to make Revolving Loans to the Borrower in an aggregate amount (reflected in Dollars or Pesos, or both) not to exceed at any one time outstanding the amount set forth opposite such Lender’s name in Schedule 1.1(a) under the heading “Revolving Loan Commitment”, or, in the case of any Lender that is an Assignee, the amount (reflected in Dollars or Pesos, or both) of the assigning Lender’s Revolving Loan Commitment assigned to such Assignee pursuant to Section 10.9, or, as such amounts may be adjusted after a full or partial conversion of Revolving Loan Commitments from Dollars to Pesos (or Pesos to Dollars) pursuant to Section 2.1(d) (in each case as such amount may be adjusted from time to time as provided herein); collectively, as to all the Lenders the “Revolving Loan Commitments.” The original aggregate principal amount of the Revolving Loan Commitments on the Effective Date is \$75,000,000; provided, however, the Revolving Loan Commitments shall reduce by the amount of any reduction to the Reducing Revolver Portion of the Revolving Loan Commitment.

“Revolving Notes” shall have the meaning assigned thereto in Section 2.1(c).

“S&P” shall mean Standard & Poor’s Ratings Group and its successors.

“Sale and Leaseback Transaction” shall mean any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to the Borrower or any of its Subsidiaries of any property, whether owned by the Borrower or such Subsidiary on the Effective Date or later acquired, which has been or is to be sold or

transferred by the Borrower or such Subsidiary on the Effective Date or later acquired, which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced on the security of such property.

“Sharing Percentage” shall mean, as to any Lender as of any date, the percentage which the aggregate principal amount of such Lender’s Revolving Loans constitutes of the aggregate principal amount of all Revolving Loans, and, in the case of Peso Revolving Loans, as determined by the Administrative Agent by converting Peso Revolving Loans into Dollars based on the Fixed Dollar Equivalent thereof on such date.

“Subsidiary” shall mean, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person or by such Person and one or more other Subsidiaries of such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Substitute TIIE Rate” shall have the meaning assigned to that term in the definition of “TIIE Rate”.

“Taxes” shall mean any and all present and future taxes, levies, assessments, imposts, duties, deductions, fees, withholdings or similar charges imposed by any Governmental Authority, including any interest, additions to tax, penalties, and all liabilities with respect thereto, excluding in the case of each Lender or the Administrative Agent (each, a “Recipient”), taxes imposed on or measured by its pre-tax income, and franchise taxes imposed upon it, by the jurisdiction (or any political subdivision thereof) under the laws of which such Recipient shall be organized or maintains its applicable lending office or its principal place of business.

“Temporary Cash Investments” shall mean any of the following: (i) direct obligations of the United States of America or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America or any state, political subdivision or agency thereof, in each case, maturing within 365 days of the date of acquisition, (ii) time deposit accounts, certificates of deposit and money market deposits denominated and payable in Dollars maturing within 365 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America, and which bank or trust company has capital, surplus and

undivided profits aggregating in excess of US\$50,000,000, or the foreign currency equivalent thereof, and has outstanding debt which is rated “A” (or such similar equivalent rating), or higher by S&P or Moody’s or any money-market fund sponsored by a registered broker dealer or mutual fund distributor, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above or clause (ix) through (xi) below entered into with a bank or trust company meeting the qualifications described in clause (ii) above or clause (ix) below, (iv) commercial paper, maturing not more than 365 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Borrower) organized and in existence under the laws of the United States of America or any state thereof with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P, (v) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s, (vi) *Certificados de la Tesorería de la Federación (Cetes)* or *Bonos de Desarrollo del Gobierno Federal (Bondes)* issued by the government of Mexico and maturing not more than 365 days after the acquisition thereof, (vii) Investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (i) through (vi) above and (ix) through (xi) below, (viii) demand deposit accounts with U.S. banks, or Mexican banks specified in clause (ix) of this definition, maintained in the ordinary course of business, and (ix) certificates of deposit, bank promissory notes and bankers’ acceptances denominated in Pesos, maturing not more than 365 days after the acquisition thereof and issued or guaranteed by any one of the four largest banks (based on assets as of the immediately preceding December 31) organized under the laws of Mexico and which are not under intervention or controlled by the *Instituto para la Protección al Ahorro Bancario* or any successor thereto or any banking subsidiary of a foreign bank which has capital, surplus and undivided profits aggregating in excess of US\$50,000,000, or the foreign currency equivalent thereof, and has outstanding debt which is rated “A,” or such similar equivalent rating, or higher by S&P or Moody’s, (x) banker’s acceptances maturing within one year issued by any bank or trust company organized under the laws of the United States or any state thereof and having capital, surplus and undivided profits of at least US\$50,000,000, (xi) Eurodollar deposits maturing within six months purchased directly from a bank meeting the requirements contained in clause (ii) above, and (xii) the Investments made in accordance with Part II of Schedule 6.3.

“TIE Rate” shall mean, for each Peso Interest Period with respect to Peso Revolving Loans, the Equilibrium Interbank Interest Rate (*Tasa de Interés Interbancaria de Equilibrio*) for a period of 28 days as published by Banco de México in the *Diario Oficial de la Federación* on the first Business Day, or of most recent publication, prior to the commencement of the relevant Peso Interest Period or, if such day is not a Business

Day, on the next preceding Business Day on which there was such a quote. In the event the TIIE Rate shall cease to be published, the “TIIE Rate” shall mean any rate specified by the Banco de México as the substitute rate therefor (the “Substitute TIIE Rate”); provided that if the inability to determine the applicable TIIE Rate is temporary, the Substitute TIIE Rate shall only apply to the period or periods in which such TIIE Rate cannot be determined.

“Tranche” shall mean all outstanding (i) Dollar Revolving Loans, or (ii) Peso Revolving Loans, as the context shall require.

“Tranche Majority Lenders” shall mean, with respect to any Lenders holding any Tranche of Loans on any date, those Lenders whose Revolving Loan Commitments with respect to such Tranche represent more than 50% of the aggregate Revolving Loan Commitments of such Tranche (or, after all such Revolving Loan Commitments have terminated, those Lenders whose Loans in such Tranche represent more than 50% of all Loans of such Tranche).

“Transactions” shall mean the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the making of Loans and the use of proceeds thereof.

“Voting Stock” shall mean with respect to any Person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

Section 1.2. Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes, and any certificate or other document made or delivered pursuant hereto, accounting terms not defined herein shall have the meanings customarily given in accordance with Mexican GAAP as in effect on the Effective Date. All ratios and computations shall be calculated in conformity with Mexican GAAP applied on a consistent basis using constant Peso calculations.

(c) The term “including” is not limiting and means “including without limitation”.

(d) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(f) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”. Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed.

ARTICLE II

AMOUNTS AND TERMS OF COMMITMENTS

Section 2.1. Revolving Loan Commitments; Notes.

(a) [Intentionally Deleted.]

(b) Subject to the terms and conditions hereof, each Lender severally agrees to make, during the Commitment Period, revolving loans to Borrower in Dollars (the “Dollar Revolving Loans”) or Pesos (the “Peso Revolving Loans”) (at the Exchange Rate), in an aggregate principal amount not to exceed the Revolving Loan Commitment of such Lender, as Borrower may select. Borrower may select Dollar Revolving Loans or Peso Revolving Loans, provided that (i) any Dollar Borrowing shall be pro rata among Lenders with Revolving Loan Commitments for Dollar Revolving Loans, and any Peso Borrowing shall be pro rata among Lenders with Revolving Loan Commitments for Peso Revolving Loans and (ii) at no time shall there be more than 10 Dollar Revolving Loans outstanding or more than 10 Peso Revolving Loans outstanding. Anything contained in this Agreement to contrary notwithstanding, in no event shall the aggregate outstanding principal amount of Revolving Loans at any time exceed the Revolving Loan Commitments then in effect. Until the Final Maturity Date Borrower may borrow, repay and reborrow under this Section 2.1(b).

(c) The Revolving Loans made by each Lender shall be evidenced by non-negotiable promissory notes (*pagarés no negociables*) of the Borrower dated the Effective Date, in each case in substantially the form of Exhibit A (the “Revolving Notes”), appropriately completed, representing the obligation of the Borrower, as guaranteed (*por aval*) by the Guarantors, to pay to such Lender the unpaid principal amount of the applicable Loan being made by such Lender on the Effective Date. Notwithstanding the references to the LIBOR Rate in any Revolving Note with respect to Dollar Revolving Loans, the Borrower and the Lenders agree that the interest rate shall be determined in accordance with this Agreement and, in the case of a request by Borrower of a Base Rate Loan or a conversion of a LIBOR Rate Loan to a Base Rate Loan, the Lender and/or Borrower may exchange any Revolving Note for a Revolving Note that references the Base Rate instead of the LIBOR Rate and each Lender agrees to return to the Borrower within ten (10) Business Days the Revolving Note being replaced. Notwithstanding the references to the TIIE Rate in any Revolving Note with respect to Peso Revolving Loans, the Borrower and the Lenders agree that the interest rate shall be determined in accordance with this Agreement. Each Revolving Note issued hereunder with respect to Dollar Revolving Loans or Peso Revolving Loans on the Effective Date shall reflect interest payable based on the Applicable Margin as of the Effective Date, provided, that, at its option and upon reasonable notice, the Administrative Agent and any affected Lender shall be permitted to require that the Borrower and Guarantors execute and deliver, in exchange for any Revolving Note, a replacement Revolving Note reflecting interest payable based on the Applicable Margin in effect as of the date of such exchange in respect of such Revolving Loan and each Lender agrees to return to the Borrower within ten (10) Business Days the Revolving Note being replaced.

(d) Provided no Default or Event of Default then exists, Borrower may agree with any Lender with an available Revolving Loan Commitment to convert any or all of such unused Revolving Loan Commitment from Dollar Revolving Loans to Peso Revolving Loans (or Peso Revolving Loans to Dollar Revolving Loans) at the Peso Equivalent (or Dollar Equivalent, respectively); provided, however, the total Revolving Loan Commitments after giving effect to such conversion shall not exceed the original Revolving Loan Commitment on the Effective Date as reduced by the Reducing Revolver Portion of the Revolving Loan Commitment. In order to effectuate the foregoing, not later than thirty (30) days prior to the Final Maturity Date, the Borrower shall deliver to the Administrative Agent a written notice (acknowledged by any agreeing Lender) (the “Commitment Transfer Request Notice”) requesting a transfer of all or a portion of such Lender’s Revolving Loan Commitment, provided, that, the Borrower may not submit more than five (5) Commitment Transfer Request Notices each year. On the date of such transfer, Borrower shall execute a new Note to the applicable Lender(s) reflecting the

new Revolving Loan Commitment from Dollar Revolving Loans to Peso Revolving Loans (or Peso Revolving Loans to Dollar Revolving Loans), as applicable. The Revolving Loan Commitments (and resulting percentages of all Lenders) shall be automatically adjusted for such conversion.

Section 2.2. Acknowledgement; Procedure for Borrowing Revolving Loans.

(a) The Borrower shall give the Administrative Agent irrevocable written notice, substantially in the form of Exhibit B (which notice must be received by the Administrative Agent prior to 12:00 p.m., New York City time, at least three Business Days prior to the requested Borrowing Date), requesting that each Lender make a Revolving Loan on such Borrowing Date and specifying (i) the amount of Revolving Loans to be borrowed, (ii) whether the Revolving Loans are to be Dollar Revolving Loans and/or Peso Revolving Loans, (iii) the requested Borrowing Date, which shall be a Business Day, (iv) in the case of Dollar Revolving Loans, whether such Dollar Revolving Loans are LIBOR Loans or Base Rate Loans, and (v) in the case of Dollar Revolving Loans that are LIBOR Loans, the LIBOR Period therefor (the “Notice of Borrowing”). Any Notice of Borrowing received after 11:00 a.m., New York City time, shall be deemed to have been received on the following Business Day. Each Dollar Borrowing under the Revolving Loan Commitments shall be in an amount equal to US\$1,000,000 or a whole multiple of US\$500,000 in excess thereof, unless such Dollar Borrowing is of the full unused amount of the Revolving Loan Commitments relating to Dollar Revolving Loans, in which case such Dollar Borrowing shall be for the full unused amount of the Revolving Loan Commitment relating to such Dollar Revolving Loans. Each Peso Borrowing under the Revolving Loan Commitments shall be in an amount equal to P\$10,000,000 or a whole multiple of P\$5,000,000 in excess thereof, unless such Peso Borrowing is of the full unused amount of the Revolving Loan Commitments relating to Peso Revolving Loans, in which case such Peso Borrowing shall be for the full unused amount of the Revolving Loan Commitment relating to such Peso Revolving Loans.

(b) Upon receipt of such notice, the Administrative Agent shall promptly (but, assuming timely notice from the Borrower pursuant to clause (a), not later than 12:00 p.m., New York City time, three Business Days prior to the relevant Borrowing Date) notify each Lender thereof. Not later than 10:00 a.m., New York City time, on the Borrowing Date each Lender shall make available to the Administrative Agent an amount in immediately available funds in Dollars or Pesos, as applicable, equal to the Revolving Loan to be made by such Lender, to the Dollar account (in the case of Dollar Revolving Loans) or the Peso account (in the case of Peso Revolving Loans) of the Administrative Agent referred to in Schedule 10.6, or to such other account as most recently designated by the Administrative Agent for such purpose by notice to such Lenders. Unless the Administrative Agent determines that any applicable condition specified in Article III has

not been satisfied, the Administrative Agent shall credit the amounts so received, in like funds, to the account of the Borrower in New York City, in the case of Dollar Revolving Loans, or in Mexico City, in the case of Peso Revolving Loans designated in the relevant Notice of Borrowing or otherwise apply such amounts as the Borrower shall irrevocably direct in the Notice of Borrowing.

Section 2.3. Repayment.

(a) The Reducing Revolver Portion of the Revolving Loan Commitment shall be reduced on September 30 of each year (commencing September 30, 2007) in the amount of USD\$3,000,000 each until such time as the Revolving Loan Commitment is equal to USD\$50,000,000 (or the Fixed Dollar Equivalent). Amounts repaid on the Reducing Revolver Portion of the Revolving Loan Commitment pursuant to this Section 2.3 may not be reborrowed.

(b) Except as set forth above, the principal of the Revolving Loans of each Lender shall be payable in full on the Final Maturity Date.

Section 2.4. Prepayments.

(a) Optional Prepayments.

(i) [Intentionally Deleted.]

(ii) Borrower may prepay the Revolving Loans, in whole or in part, by providing irrevocable notice to the Administrative Agent, specifying the date and amount of prepayment, no later than (A) with respect to LIBOR Loans and TIE Loans, two Business Days prior to the date of the proposed prepayment and (B) with respect to Base Rate Loans, 12:00 noon, New York City time, on the same date of the proposed voluntary prepayment. Provided no Default or Event of Default then exists, Borrower may direct to pay Dollar Revolving Loans or Peso Revolving Loans, pro rata among Lenders with Revolving Loan Commitments with respect thereto, which are thus not in accordance with the Sharing Percentage among all Lenders pursuant to Section 2.11.

(iii) Any prepayment made pursuant to subsection (ii) of this Section 2.4(a) shall not incur any penalty or premium, but shall be subject to the indemnity provisions of Section 2.15, in addition to any other interest, fees, expenses or other amounts owing hereunder on the date of the prepayment.

(iv) Upon receipt of a notice of prepayment, the Administrative Agent shall promptly notify each Lender entitled to receive a portion thereof. If such notice is given, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to, and any other amounts then due on, each such date on the amount prepaid. The aggregate minimum amount of any prepayment of the Revolving Loans shall be at least US\$1,000,000, and in multiples of US\$500,000 thereof (or the Peso Equivalent of such amount) in excess thereof, or, if less, the aggregate principal amount of the Revolving Loans then outstanding.

(b) Mandatory Prepayments.

(i) If on any date the Borrower or any of the Subsidiary Loan Parties shall receive Net Cash Proceeds from any Prepayment Event described in clause (a) of the definition thereof, the Borrower shall make a prepayment of the Revolving Loans in an aggregate amount equal to 100% of such Net Cash Proceeds received by the Borrower and the Subsidiary Loan Parties in excess of US\$10,000,000 during any fiscal year; provided that the Borrower shall not be required to prepay the Revolving Loans as a result of such Prepayment Event, if the Borrower or such Subsidiary Loan Party shall have used such Net Cash Proceeds to acquire, improve or repair assets useful in its business by the Reinvestment Prepayment Date and, if not so applied by the Reinvestment Prepayment Date with respect to the relevant Prepayment Event, such Net Cash Proceeds shall be applied within ten Business Days following the Reinvestment Payment Date to prepay the Revolving Loans in accordance with this Section 2.4(b) and reduce the Reducing Revolver Portion of the Revolving Loan Commitment.

(ii) If on any date the Borrower or any of the Subsidiary Loan Parties shall receive Net Cash Proceeds from any Prepayment Event described in clause (b) of the definition thereof, the Borrower shall make a prepayment of the Revolving Loans in an aggregate amount equal to 100% of such Net Cash Proceeds received by Borrower in excess of US\$25,000,000 during any fiscal year which shall be applied to prepay the Revolving Loans in accordance with this Section 2.4(b) and reduce the Reducing Revolver Portion of the Revolving Loan Commitment; provided that the Borrower shall not be required to prepay the

Revolving Loans as a result of such Prepayment Event, if, with respect to any Net Cash Proceeds received by the Borrower and the Subsidiary Loan Parties from such Prepayment Events, the Borrower or one of the Subsidiary Loan Parties uses such Net Cash Proceeds to repair or replace the affected property or asset, (y) the Borrower or a Subsidiary Loan Party enters into a contract for such repair or replacement within 180 days of the Prepayment Event, and (z) such repair or replacement is effected within 360 days of the Prepayment Event, and if such repair or replacement is not so contracted for or effected at the end of such 180 or 360 day period, as applicable, such Net Cash Proceeds shall be applied within ten Business Days of the end of such period to prepay the Revolving Loans in accordance with this Section 2.4(b) and reduce the Reducing Revolver Portion of the Revolving Loan Commitment.

(iii) If on any date the Borrower shall receive Net Cash Proceeds from any Prepayment Event described in clause (c) of the definition thereof, the Borrower shall make a prepayment of the Revolving Loans in an aggregate amount equal to 100% of such Net Cash Proceeds received by Borrower in excess of US\$10,000,000 during any fiscal year; provided, that the Borrower shall not be required to prepay the Revolving Loans as a result of such Prepayment Event, if the Borrower or one of its Subsidiaries shall have used such Net Cash Proceeds to acquire, improve or repair assets useful in its business and, if not so applied within 360 days after receipt thereof, shall be applied within ten Business Days of the end of such 360 day period to prepay the Revolving Loans in accordance with this Section 2.4(b) and reduce the Reducing Revolver Portion of the Revolving Loan Commitment.

(iv) [Intentionally Deleted.]

(v) Borrower shall, within 195 days after the end of each fiscal year, make a prepayment of the Revolving Loans in an aggregate amount equal to 25% of Borrower's Excess Cash Flow, provided, however that (a) if there is no Default or Event of Default then existing and (b) the ratio of Borrower's Consolidated Net Indebtedness to Borrower's Consolidated EBITDA for the trailing eight (8) fiscal quarters divided by two is less than 2:00 to 1:00, then no such prepayment of Excess Cash Flow shall be required for such fiscal year.

(vi) Amounts to be applied in connection with prepayments made pursuant to clauses (i)-(iv) of this Section 2.4(b) shall be applied first, to permanently reduce the Reducing Revolver Portion of the Revolving Loan Commitment until such amount is reduced to \$0.00 and second, to prepay the

Revolving Loans, on a pro rata basis. Amounts so repaid under the Reducing Revolver Portion of the Revolving Loan Commitment under this Section 2.4(b) may not be reborrowed. Amounts to be applied in connection with prepayments made pursuant to clause (v) of this Section 2.4(b) shall be applied to permanently reduce the Reducing Revolver Portion of the Revolving Loan Commitment until such amount is reduced to \$0.00 and after such time as the Reducing Revolver Portion of the Revolving Loan Commitment is reduced to \$0.00, no prepayments shall be required pursuant to clause (v) of this Section 2.4(b).

(vii) Pending the final application of any such Net Cash Proceeds in accordance with this Section 2.4, the Borrower and its Subsidiaries may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by this Agreement.

(viii) In determining the amount of any mandatory prepayment required under clauses (i) and (ii) of this Section 2.4(b), the Borrower and its Subsidiaries shall be permitted to use such Net Cash Proceeds to the extent required to make any prepayment required on account of such Prepayment Event under any indenture including the Indenture.

Section 2.5. Interest Rates and Payment Dates.

(a) The LIBOR Loans shall bear interest for each day during each LIBOR Period for such LIBOR Loans on the unpaid principal amount thereof at a rate per annum equal to the LIBOR Rate determined for such LIBOR Period plus the relevant Applicable Margin.

(b) The Base Rate Loans shall bear interest on the unpaid principal amount thereof at a rate per annum equal to the Base Rate plus the relevant Applicable Margin.

(c) The Peso Revolving Loans shall bear interest for each day during each Peso Interest Period for such Peso Revolving Loans on the unpaid principal amount thereof at a rate per annum equal to the TIIE Rate determined for such Peso Interest Period plus the relevant Applicable Margin.

(d) The Borrower hereby agrees that the interest rates for the Revolving Loans and Revolving Loans shall vary based on changes in the LIBOR Rate or the TIIE Rate, as the case may be, in the manner described herein and consents to such adjustments, with such notices as is required in accordance herewith.

(e) Upon the occurrence and during the continuance of an Event of Default under Section 7.1, the principal amount of all Revolving Loans and, to the extent permitted by applicable law, any overdue interest payments on the Revolving Loans or any overdue fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest, fees or expenses in any Insolvency Proceeding (including any such interest, fees or expenses which, but for the filing of a petition in bankruptcy, would have accrued, whether or not a claim is allowed for such interest in the related Insolvency Proceeding)) payable on demand at a rate that is 2% per annum in excess of the rate otherwise payable hereunder applicable to the Base Rate Loans or the Peso Loans, as applicable. Payment or acceptance of the increased rate of interest provided for in this Section 2.5(d) is not a permitted alternative to timely payment and full compliance with the covenants hereunder and shall not constitute a waiver of any Default or Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

(f) Except as otherwise provided in paragraph (e) of this Section 2.5, interest on the LIBOR Loans shall be payable in arrears on each LIBOR Payment Date (except with respect to LIBOR Loans with a LIBOR Period of six months, in which case interest on such LIBOR Loan shall be payable every three months) interest on each Revolving Loan shall be payable in arrears on each Peso Interest Payment Date; and interest on each Base Rate Loan shall be payable in arrears on the first day of each calendar quarter.

(g) The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of such Lender's LIBOR Loans equal to the actual costs of such reserves allocated to such LIBOR Loans by such Lender (as reasonably determined by such Lender in good faith, which determination shall be conclusive, absent manifest error), payable on each date on which interest is payable on such LIBOR Loans, provided that the Borrower shall have received at least 15 days' prior written notice (with a copy to the Administrative Agent) of such additional interest from such Lender. The Administrative Agent shall include with such notice a certificate from such Lender setting forth in reasonable detail the calculation of the amount of such reserves. If a Lender fails to give notice 15 days prior to the relevant LIBOR Payment Date, such additional interest shall be payable 15 days from receipt of such notice.

Section 2.6. LIBOR Period Election.

(a) Each Dollar Borrowing shall have an initial LIBOR Period as specified in the respective Notice of Borrowing. Thereafter, the Borrower may elect the LIBOR Period for such Loan as provided in this Section and the definition of LIBOR Period.

(b) To make an election pursuant to this Section, the Borrower shall give the Administrative Agent written notice substantially in the form of Exhibit C (a "Notice of Interest Period Election") not later than 11:00 am, New York City time, three Business Days before the effective date of the proposed election, which election shall be irrevocable.

(c) Each Notice of Interest Period Election shall specify the following information:

(i) the Loan to which such Notice of Interest Period Election applies;

(ii) the effective date of the election made pursuant to such Notice of Interest Period Election, which shall be a Business Day; and

(iii) the LIBOR Period applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of LIBOR Period;

provided that if the Borrower fails to deliver a timely Notice of Interest Period Election or such notice does not contain all the required information, the Borrower will be deemed to have elected a LIBOR Period of the same duration as for the prior LIBOR Period with respect to such Loan.

Section 2.7. Computation of Interest and Fees.

(a) Interest in respect of the Revolving Loans shall be calculated on the basis of a 360-day year for the actual days elapsed; and commitment fees shall be calculated on the basis of a 360-day year for the actual days elapsed. The Administrative Agent shall, as soon as practicable, notify the Borrower and the Lenders of each determination of the LIBOR Rate or the TIIE Rate; provided, however, that any failure to do so shall not relieve the Borrower of any liability hereunder.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower or any Lender, deliver to the Borrower or such Lender, as the case may be, a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Sections 2.5(a) and (b).

Section 2.8. Inability to Determine Interest Rate.

(a) LIBOR. In the event that the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate means do not exist for ascertaining the LIBOR Rate applicable pursuant to Section 2.5(a), for any LIBOR Period, the Administrative Agent shall promptly give notice by facsimile or electronic transmission of such determination to the Borrower and each Dollar Lender at least one day prior to the last day of the current LIBOR Period. If such notice is given and until such notice has been withdrawn by the Administrative Agent, then any portion of the outstanding principal balance hereof which bears interest determined in relation to the LIBOR Rate shall, subsequent to the end of the LIBOR period applicable thereto, bear interest at the Base Rate.

(b) TIIE Rate. If, for any Peso Interest Period, the TIIE Rate ceases to be published and no Substitute TIIE Rate is published by Banco de México, the Administrative Agent shall promptly give notice by facsimile or electronic transmission of such determination to the Borrower and each Lender. If such notice is given and until such notice has been withdrawn by the Administrative Agent, then any portion of the outstanding principal balance hereof which bears interest determined in relation to the TIIE Rate shall, subsequent to the end of the Peso Interest Period applicable thereto, bear interest at the latest TIIE Rate that has been published by Banco de México.

Section 2.9. Maximum Interest Rate. Anything in this Agreement or any Notes to the contrary notwithstanding, the interest rate on any Revolving Loans shall in no event be in excess of the maximum permitted by Applicable Law.

Section 2.10. Fees.

(a) Administration Fee. The Borrower will pay to the Administrative Agent, for its account, an administration fee in the amount and at the times agreed to by the Administrative Agent and the Borrower in a separate fee letter (the "Fee Letter").

(b) Facility Fees. The Borrower agrees to pay to the Administrative Agent, for the account of each Lender a commitment fee for the period from and including the Effective Date to the Final Maturity Date, computed at the Facility Fee Rate on the average daily amount of the Available Credit Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on the last Business Day of each December, March, June and September and on the Final Maturity Date or such earlier date as the Revolving Loan Commitments shall terminate as provided herein, commencing on the Effective Date.

(c) Lead Arranger. The Borrower will pay to the Lead Arranger, for its account, the fees in the amounts and at the times agreed to by the Lead Arranger and Borrower in the Fee Letter.

Section 2.11. Pro Rata Treatment and Payments.

(a) Except as otherwise provided in Sections 2.12, 2.13, 2.14 and/or 2.15, each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans (i) shall be made pro rata to each Tranche of Revolving Loans according to the respective outstanding principal amounts of each Tranche, as determined by the Administrative Agent on the date immediately prior to such payment date and (ii) shall be made to each Lender within each Tranche pro rata according to the respective outstanding principal amounts of the Revolving Loans held by each Lender in such Tranche.

(b) Payments by the Borrower of (i) principal and interest in respect of Dollar Revolving Loans and payments by the Borrower of fees on the Revolving Loan Commitment with respect to Dollar Revolving Loans shall be made in Dollars, (ii) principal and interest in respect of Peso Revolving Loans shall be made in Pesos, and payments by the Borrower of fees on the Revolving Loan Commitment with respect to Peso Revolving Loans shall be made in Pesos and (iii) all other amounts shall be made in Dollars or as otherwise agreed to by the Borrower and the Administrative Agent or the Lender to whom such other amount is payable. All payments (including prepayments) to be made by the Borrower on account of principal, interest, fees and other amounts due and payable hereunder shall be made without set-off, deduction, withholding or counterclaim, and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lender or Lenders entitled to receive the same, at the Administrative Agent's offices and accounts set forth in Schedule 10.6, in Dollars (at the New York office and account of the Administrative Agent) or Pesos (at the Mexico City office and account designated by the Administrative Agent), as required by the terms hereof, and in immediately available funds. The

Administrative Agent shall distribute such payments to the Lender or Lenders entitled to receive the same promptly upon receipt in like funds as received. If any payment on a Revolving Loan becomes due and payable on a day other than a Business Day therefor, the maturity thereof shall be extended to the next succeeding Business Day for such Revolving Loan unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension.

(c) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of the Revolving Loans available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Effective Date or on each Borrowing Date, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) (A) the Federal Funds Effective Rate in the case of Dollar Revolving Loans and (B) the TIIE Rate in the case of Peso Revolving Loans and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of the Revolving Loans is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Administrative Agent and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to the Revolving Loans which were to have been made by such Lender, on demand, from the Borrower.

(d) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lender or Lenders entitled thereto their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was

made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average (A) Federal Funds Effective Rate in the case of Revolving Loans and (B) the TIIE rate in the case of Peso Revolving Loans. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

Section 2.12. Taxes.

(a) Any and all payments by (or on behalf of) the Borrower under the Loan Documents shall be made free and clear of, and without deduction or withholding for, any and all Taxes. In addition, the Borrower shall pay all Other Taxes (excluding in the case of each Lender and Agent, federal and state income taxes).

(b) If any Loan Party (or any Person on its behalf) shall be required by law to deduct or withhold any Taxes, Other Taxes or Further Taxes from or in respect of any sum payable under any Loan Document, then:

(i) the sum payable shall be increased by such additional amounts (the "Additional Amounts") as necessary so that, after making all required deductions and withholdings applicable to Additional Amounts payable hereunder, the recipient thereof receives an amount equal to the sum that it would have received and retained had no such deductions or withholdings been made, unless such recipient has agreed to receive a lesser amount in a written instrument executed by such recipient, the Borrower and the Administrative Agent, and

(ii) the Borrower (or other Person on its behalf) shall make such deductions and withholdings and promptly shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with Applicable Law.

(c) The Borrower agrees to indemnify and hold harmless each Person entitled to receive any payment under the Loan Documents for the full amount of Taxes, Other Taxes and Further Taxes in the amount that such recipient specifies as necessary under Applicable Law to preserve the after-tax yield it would have received if such Taxes, Other Taxes or Further Taxes had not been imposed, and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes, Other Taxes or Further Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date such Person makes written demand therefor. Should the Borrower believe that

any such Taxes, Other Taxes or Further Taxes for which it has so indemnified any Person were incorrectly asserted, the Borrower may (so long as any such actions could not reasonably be expected to have an adverse effect on such Person) institute proceedings or otherwise make claims to recover such amounts and, should any such amounts be so recovered, the Borrower shall retain all such amounts.

(d) Within 45 days after the date of any payment by the Borrower of any Taxes, Other Taxes or Further Taxes in connection with any payment by it under the Loan Documents, the Borrower shall furnish to the Administrative Agent (for distribution to the Lenders) the original or a certified copy of a receipt evidencing payment thereof (or if paid electronically, adequate payment confirmation evidence as available under Applicable Law), or other evidence of payment reasonably satisfactory to each applicable Lender or the Administrative Agent.

(e) If the Borrower is required to pay any amount to any Person pursuant to either paragraph (b) or (c) in an amount greater than would otherwise be applicable on the Effective Date, then such Person shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or other relevant office so as to eliminate any such additional payment by the Borrower that may thereafter accrue, if such change (in the sole judgment of such Person) is not otherwise disadvantageous to such Person and shall cooperate with the Borrower to recover any contested amount.

(f) Unless the Borrower waives such requirement in writing, each Lender which is not a Mexican Financial Institution shall deliver to the Borrower (i) on or prior to the Effective Date (in the case of each Lender listed on the signature pages hereof) and (ii) at such other times as may be necessary in the reasonable determination of the Borrower, following request by the Borrower to such Lender (which request may only be made twice during any fiscal year and upon any change in Applicable Law with respect to Taxes), a certificate confirming that such Lender complies with the requirements listed in clauses (x) through (z) of Section 4.13.

(g) The Lender shall promptly reimburse to the Borrower an amount in Dollars equal to the amount, if any, of any Taxes, Other Taxes or Further Taxes deducted or withheld by the Borrower hereunder and actually used by the Lender to offset its tax liabilities in the United States of America. On July 1 of each calendar year, each Lender will give notice to the Borrower regarding the amount, if any, of the tax credit obtained by the Lender for the prior calendar year pursuant to the above, and the Lender will advance the corresponding Dollar amount to the Borrower, if any, within ten Business Days following the date of such notice. The Borrower's indemnification and

reimbursement rights and the Lender's reimbursement obligations under this Section 2.12 shall survive the termination of this Agreement until six months after all of the Lenders' tax returns for the years during which the Agreement was in existence are originally filed with the U.S. Internal Revenue Service.

Section 2.13. Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender to honor its obligation to make or maintain any LIBOR Loan or TIIE Rate Loan hereunder or convert Base Rate Loans into LIBOR Loans or TIIE Rate Loans, then such Lender shall promptly notify the Administrative Agent and the Borrower thereof and such Lender's obligation to make or continue, or to convert Base Rate Loans into, LIBOR Rate Loans and/or TIIE Rate Loans shall be suspended until such time as such Lender may again make and maintain such Revolving Loans (in which case the provisions of Section 2.15 hereof shall be applicable) and, unless and until the Borrower exercises the rights granted in the next sentence, such Lender's pro rata share of all existing Revolving Loans and all subsequent Revolving Loans shall be made as Base Rate Loans (and such Lender's share of interest payments shall reflect the foregoing), in each case, until such time as such Lender may again make and maintain such LIBOR Loans or TIIE Rate Loans (in which case the provisions of Section 2.15 hereof shall be applicable). In the event such a notification is made, the Borrower shall have the right, but not the obligation, upon written notice to the Administrative Agent, on or before 10:00 A.M. (Central time) on or before ten Banking Days following receipt of notice from such Lender, to reduce the individual Revolving Loan Commitment of such Lender to zero upon making a prepayment, to be treated as a voluntary prepayment to the extent not inconsistent with the provisions of this Section, equal to the amount of such Lender's outstanding Revolving Loans plus any funding losses attributed to the portion of such payment applied to LIBOR Loans and/or TIIE Rate Loans as provided herein. In the event the Borrower makes such an election, then, notwithstanding any provisions of this Agreement to the contrary, the amount of such prepayment shall be applied to outstanding LIBOR Loans and/or TIIE Rate Loans, as appropriate, to the extent of such Lender's pro rata share thereof and, along with the amount paid on account of such funding losses, distributed to the Lender making such determination and as to which the Borrower has made such election.

Section 2.14. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender; or

(ii) impose on any Lender, the London interbank market or the Mexican interbank market, as may be appropriate, any other condition affecting this Agreement or Revolving Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make Revolving Loans) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Revolving Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, and the calculations of such amounts in reasonable detail, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error, provided that the determinations shall be made on a reasonable basis. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.15. Funding Compensation Fee. The Borrower agrees to pay each Lender a prepayment compensation fee to cover the costs and expenses that Lender may sustain or incur as a consequence of (a) default by the Borrower in payment on any applicable scheduled payment date of any principal amount of the Loan of such Lender then due, (b) default by the Borrower in making a borrowing of Revolving Loans or any prepayment after the Borrower has given a notice in accordance with Section 2.2 or 2.4(a), respectively, (c) the making by the Borrower of a prepayment of the Revolving Loans on a day which is not the last day of the LIBOR Period or Peso Interest Period with respect thereto (whether or not the Administrative Agent or such Lender has previously consented to such prepayment) and (d) the assignment of any LIBOR Loan other than on the last day of the LIBOR Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, including any such loss or expense arising from the liquidation or reemployment of funds obtained by such Lender to make or maintain its Revolving Loans or from fees payable to terminate the deposits from which such funds were obtained. In the case of a LIBOR Loan, such fee shall be deemed to include an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such LIBOR Loan had such event not occurred, at the LIBOR rate that would have been applicable to such LIBOR Loan, for the period from the date of such event to the last day of the then current LIBOR Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the LIBOR Period for such LIBOR Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section and the calculation of such amounts in reasonable detail shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof. This covenant shall survive termination of this Agreement and payment of the Revolving Loans.

Section 2.16. Sharing of Payments, etc.

(a) Except with respect to voluntary prepayments made by Borrower pursuant to Section 2.4(a) which are made pro rata to Lenders with a Revolving Loan Commitment with respect to either Dollar Revolving Loans or Peso Revolving Loans, if any Lender shall obtain on account of the Obligations owing to it hereunder or in respect of its Loan any payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) in excess of its Sharing Percentage of payments on account of the Obligations obtained by all the Lenders, such Lender shall forthwith (i) notify the Administrative Agent of such fact and (ii) purchase from the other Lenders such

participations in such amounts as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's Sharing Percentage (determined for this purpose according to the proportion of (A) the amount of such paying Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section 2.16 and will in each case notify the Lenders and the Borrower following any such purchases. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.10) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards fees and expenses due to Administrative Agent, (ii) second, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, (iii) third, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties and (iv) fourth, towards Obligations of Borrower under any Lender Hedging Agreement pursuant to the terms thereof.

Section 2.17. Change of Lending Office. Each Lender that is not a Mexican Financial Institution agrees that, upon the occurrence of any event giving rise to the operation of Section 2.12, 2.13 or 2.14(a) as to it, it will use its commercially reasonable efforts to avoid or minimize the consequence of such event; provided that such action shall not, in the judgment of such Lender, as the case may be, be illegal or materially and adversely economically or otherwise disadvantageous to it. If such Lender is entitled to compensation for the events specified under Section 2.12 or 2.14(a), or the Borrower is required to make a prepayment as a result of the operation of Section 2.13, such Lender shall endeavor for a period of 30 days to designate a different Lending Office for any Obligation affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, result in any economic, legal or regulatory or other disadvantage to such Lender or any of its affiliates.

Section 2.18. Replacement of Lenders. The Borrower may, upon no less than three Business Days' notice, require that any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.12 or 2.14(a), (b) may receive from the Borrower a prepayment as a result of the operation of Section 2.13 or (c) defaults in its obligation to make its Loan hereunder, be replaced with a replacement financial institution identified by the Borrower in such notice; provided that (i) such replacement does not conflict with any Applicable Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall not have eliminated the continued need for payment of amounts owing pursuant to Section 2.12 or 2.14(a) or the operation of Section 2.13, (iv) the replacement financial institution shall purchase, at par, the Loan and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.15 if the Loan owing to such replaced Lender shall be purchased other than on the last day of a LIBOR Period or Peso Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.9 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.12 or 2.14(a), as the case may be and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions to Effective Date. This Agreement, including the obligations of the Lenders to make Revolving Loans hereunder, shall become effective on the date on which the following conditions precedent have been satisfied or waived:

(a) Agreements. The Administrative Agent shall have received this Agreement and the other Loan Documents, duly executed and delivered by each party hereto.

(b) Opinion of Borrower's Counsel. The Administrative Agent shall have received an opinion (addressed to the Administrative Agent and dated the Effective Date) of each of (i) Baker & McKenzie LLP, counsel to the Loan Parties, in substantially the form of Exhibit D-1 and (ii) Baker & McKenzie

Abogados, S.C., special Mexican counsel to the Loan Parties, in substantially the form of Exhibit D-2. The Administrative Agent shall have received an opinion (addressed to the Administrative Agent) of each of (i) Patton Boggs LLP, counsel to Administrative Agent and (ii) Galicia y Robles, S.C., special counsel to the Administrative Agent. Each of the Loan Parties hereby requests such counsel to deliver such opinions.

(c) Approvals. (i) All consents and approvals, if any, required or reasonably advisable to be obtained from any Government Authority or other Person in connection with the Transactions and the execution, delivery and performance by, and enforcement against, the Loan Parties of the Loan Documents shall have been obtained and copies of all such consents and approvals shall have been delivered to Administrative Agent (ii) all consents and approvals, if any, required or reasonably advisable to be obtained in connection with the business and operations of the Borrower and its Subsidiaries shall have been obtained and be in full force and effect, and all registrations, applications, reports and other documents, if any, required or reasonably advisable to be filed and/or registered with any Governmental Authority in connection therewith shall have been filed and/or registered.

(d) Organizational Documents, Incumbency, etc. The Administrative Agent shall have received the following documents, all in form and substance satisfactory to the Administrative Agent: (i) copies of the certificate of incorporation, by-laws, *estatutos sociales* or other equivalent document of each of the Loan Parties certified by an appropriate officer of such Loan Party as true and correct and in full force and effect, (ii) an incumbency certificate designating the officers of each of the Loan Parties (together with their specimen signatures) authorized to execute and deliver each of the Loan Documents to which it is a party and any other document or certificate to be delivered by such Loan Party in connection with the transactions contemplated hereby, (iii) copies of the notarial instruments or equivalent documents containing the powers of attorney authorizing the relevant officers of each of the Loan Parties to execute and deliver the Loan Documents to which it is a party and any other document or certificate to be delivered by such Loan Party in connection with the transactions contemplated hereby, including with respect to Loan Parties incorporated under the laws of Mexico authority for acts of administration (*poder para actos de administración*) and authority to execute negotiable instruments (*poder para suscribir títulos de crédito*) and (iv) if such resolution is required under the organizational documents of any Loan Party or otherwise, copies of the resolutions of the Board of Directors and/or shareholders of such Loan Party, certified by an appropriate officer of such Loan Party, authorizing the execution, delivery and performance of the Loan Documents to which it is a party and the transactions contemplated hereby and thereby.

(e) Closing Certificate. The Administrative Agent shall have received a certificate from each Loan Party, dated the Effective Date, substantially in the form of Exhibit E, with appropriate insertions and attachments.

(f) Payment of Fees and Expenses. The Borrower shall have paid all fees and expenses payable on or before the Effective Date (including reasonable legal fees of special Mexican counsel to the Administrative Agent).

(g) Agent for Service of Process. The Administrative Agent shall have received (i) in the case of Loan Parties incorporated under the laws of Mexico, a certified copy of the applicable notarial deed by which the Borrower and each Local Guarantor has granted an irrevocable power of attorney (which shall comply with the 1940 Protocol on Uniformity of Powers of Attorney which are to Be Used Abroad, as ratified by Mexico and the United States) to the agent for service of process in New York, New York appointed pursuant to Section 10.11 and (ii) an executed copy of a letter from such agent accepting its appointment pursuant to Section 10.11, in substantially the form of Exhibit F or such other form acceptable to the Administrative Agent.

(h) Financial Statements. The Administrative Agent shall have received copies of and shall be reasonably satisfied, in form and substance, with the financial statements referred to in subsection 4.6(a).

(i) Projections. The Administrative Agent shall have received financial projections of the Borrower through fiscal year 2011, in form and substance satisfactory to the Administrative Agent.

(j) Representations and Warranties. The representations and warranties of each Loan Party contained in the Loan Documents are true and correct on and as of the Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(k) No Event of Default. As of the Effective Date, no Default or Event of Default shall have occurred and be continuing.

(l) No Material Adverse Change. The Administrative Agent shall not have reasonably determined, in its sole discretion, that there shall have occurred any material adverse change in the condition (financial or otherwise), operations, performance, business, or properties of the Borrower, its Subsidiaries, and the Guarantors taken as a whole, since September 30, 2005.

(m) Litigation. The Administrative Agent shall not have reasonably determined, in its sole discretion, that there shall have occurred any actions, suits, proceedings, claims or disputes pending or threatened (whether at law, in equity, in arbitration or by or before any Governmental Authority) against the Borrower, Guarantors, or any of their Subsidiaries or any of their Affiliates which (i) seeks to enjoin or challenge the Loan Documents or (ii) could reasonably be expected to have a Material Adverse Effect.

(n) Insurance. The Administrative Agent shall have received evidence in form and substance reasonably satisfactory to it that all insurance required to be maintained pursuant to Section 5.8 is in full force and effect.

(o) Solvency Certificate. The Administrative Agent shall have received a certificate from a financial officer of the Borrower, reasonably satisfactory in form and substance to the Administrative Agent, confirming the solvency of Parent, Borrower and their Subsidiaries after giving effect to the Transactions and the other transactions contemplated hereby.

In connection with this Section 3.1, the Borrower shall deliver to the Administrative Agent sufficient copies (executed originals (or copies as applicable) and certified English translations where applicable, except with respect to documents listed in paragraph (e) of this Section 3.1) of all documents for each of the Lenders.

Section 3.2. Conditions to Each Extension of Credit. The obligation of each Lender to make any Revolving Loans requested to be made by it on any date during the Commitment Period is subject to the satisfaction of the following conditions precedent:

(a) Effective Date. The Effective Date shall have occurred.

(b) Fees and Expenses. The Borrower shall have paid all fees and expenses payable to the Administrative Agent and the Lenders under or in connection with the Loan Documents which are required to be paid on or before the relevant Borrowing Date.

(c) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing as required by Section 2.2.

(d) Representations and Warranties. The representations and warranties of each Loan Party contained in the Loan Documents shall be true and correct on and as of the relevant Borrowing Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(e) No Event of Default. No Default or Event of Default shall have occurred and be continuing on the relevant Borrowing Date or shall result from the making of Revolving Loans on such date or the use of the proceeds thereof.

(f) Material Adverse Effect. Since the date of the last Revolving Loan, no Material Adverse Effect shall have occurred.

(g) Borrowing Date Certificate. If the relevant Borrowing Date occurs on a date other than the Effective Date, the Administrative Agent shall have received a certificate of a Responsible Officer, dated as of such Borrowing Date, of each of the Loan Parties certifying (x) that each of the organizational documents, certificates, powers of attorney and resolutions delivered to the Administrative Agent pursuant to Section 3.1(e) are in full force and effect, and (y) compliance with each of the conditions set forth in Sections 3.2(d) and (e).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders and the Administrative Agent to enter into this Agreement and to induce the Lenders to make and continue the Revolving Loans provided for herein, each Loan Party makes the following representations and warranties to the Lenders and the Administrative Agent, all of which shall survive the execution and delivery of this Agreement:

Section 4.1. Organization. Borrower and each of the Loan Parties (a) is duly organized, validly existing and, with respect to Parent, in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or other organizational power and authority, and the legal right, to own and operate its properties, to lease the properties it operates as lessee and to conduct the business in which it is currently engaged, except to the extent that the failure to have such legal right could not be reasonably expected to have a Material Adverse Effect, (c) is duly qualified as a foreign entity and, if applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, other than in such jurisdictions where the failure to be so qualified and, if applicable, in good standing could not be reasonably expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 4.2. Corporate Power and Authority; Enforceable Obligations.

(a) Borrower and each other Loan Party has the corporate or other organizational power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder, and has taken all necessary corporate or other organizational action to authorize, in the case of the Borrower, the borrowings hereunder on the terms and conditions of this Agreement and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with, notice to or other similar act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of any Loan Party or any other Subsidiary of the Borrower in connection with the Transactions hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents to which the Borrower and each other Loan Party is a party, except for consents, authorizations, notices and filings which the failure to obtain or make could not reasonably be expected to have a Material Adverse Effect.

(b) This Agreement has been, and each of the other Loan Documents and any other agreement to be entered into by any Loan Party pursuant hereto will be, duly executed and delivered on behalf of such Loan Party that is party thereto. This Agreement constitutes, and each of the other Loan Documents and any other agreement to be entered into by any Loan Party pursuant hereto will constitute upon execution and delivery, the legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, *concurso mercantil*, fraudulent conveyance, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

Section 4.3. Compliance with Law and Other Instruments. Neither the execution, delivery or performance of the Loan Documents in accordance with their respective terms, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene the charter, by-laws, *estatutos sociales* (or other equivalent organizational documents) of the Borrower or any other Loan Party or contravene any Requirement of Law to which such Loan Party is subject or any judgment, decree, order or permit applicable to such Loan Party, or will conflict with or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of any Loan Party pursuant to the terms of any Contractual Obligation (other than those permitted or required by the Loan Documents, including Permitted Liens) to which such Loan Party is a party or bound or to which it may be subject. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.4. Litigation and Environmental Matters.

(a) Except as set forth on Schedule 4.4, there are no actions, suits or proceedings pending or, to the best of the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries before any court, tribunal or other Governmental Authority (i) which relates to any Loan Document or the transactions contemplated hereby or thereby or (ii) which individually or in the aggregate could be reasonably expected to have a Material Adverse Effect. The Borrower and its Subsidiaries are not in default with respect to any applicable statute, rule, writ, injunction, decree, order or regulation of any Governmental Authority having jurisdiction over the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

(b) The Borrower and each of its Subsidiaries conducts in the ordinary course of business a review of the effect of applicable Environmental Laws and existing Environmental Claims on its businesses, operations and properties, and as a result thereof each such Person reasonably has concluded that such Environmental Laws and Environmental Claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) All Environmental Permits required by Applicable Law have been obtained and are in effect for the businesses, operations and properties of the Borrower and its Subsidiaries, and the Borrower and its Subsidiaries are in compliance with all such Environmental Permits, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No circumstances exist that could reasonably be expected to (i) form the basis of an Environmental Claim against the Borrower, any of its Subsidiaries or any of their properties or (ii) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any applicable Environmental Law which could reasonably be expected to have a Material Adverse Effect.

(d) No Hazardous Materials have been (and are not anticipated to be) generated, used, treated, handled, stored or disposed of on, or released or transported to or from, any property of the Borrower or any of its Subsidiaries, except in compliance with all applicable Environmental Laws and Environmental Permits, and all other wastes generated at any such properties have been disposed of in compliance with all applicable Environmental Laws and Environmental Permits, except, in each case, where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

Section 4.5. Approvals. No material Governmental Approval or other material consent or authorization of, filing with notice to or other similar act by or in respect of, any Governmental Authority or any other Person is required to be obtained or made by or on behalf of any Loan Party or any other Subsidiary of the Borrower to authorize, or is required in connection with, the borrowings hereunder or the execution, delivery, performance, validity or enforceability of any Loan Document to which the Borrower or each other Loan Party is a party or the taking of any action by any Loan Party hereby or thereby contemplated, or, if any of the foregoing are required, they have been obtained and are in full force and effect.

Section 4.6. Financial Information.

(a) The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as of December 31, 2003, December 31, 2004 and December 31, 2005 and the related consolidated statements of income, shareholders' equity and cash flows for the fiscal years ended on such dates (the "Annual Financial Statements"), reported on by and accompanied by unqualified reports from Mancera, S.C., member of Ernst and Young Global, present fairly, in all material respects, the consolidated financial condition as at such date, and the consolidated results of operations and consolidated cash flows for the respective fiscal years then ended, of the Borrower and its consolidated Subsidiaries. The unaudited consolidated balance sheet of the

Borrower and its consolidated Subsidiaries as at June 30, 2006, and the related unaudited consolidated statements of income and cash flows for the three-month period ended on such date (together with the Annual Financial Statements, the "Financial Statements"), present fairly, in all material respects, the consolidated financial condition as at such date, and the consolidated results of operations and consolidated cash flows for the three-month period then ended, of the Borrower and its consolidated Subsidiaries (subject to the omission of footnotes and normal year-end audit and other adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with Mexican GAAP consistently applied throughout the periods covered thereby. During the period from December 31, 2005 to and including the Effective Date, there has been no sale, transfer or other disposition by the Borrower and its consolidated Subsidiaries of any material part of the business or property of the Borrower and its consolidated Subsidiaries, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Borrower and its consolidated Subsidiaries, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Effective Date.

(b) Except as disclosed in the Financial Statements (or notes thereto), there are no liabilities or obligations with respect to the Borrower and its Subsidiaries of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) and the Borrower knows of no basis for the assertion against it or its Subsidiaries of any liability or obligation of any nature that is not fully disclosed in the Financial Statements (or notes thereto) which, in either case, either individually or in the aggregate, are required to be disclosed under Mexico GAAP and could be reasonably expected to have a Material Adverse Effect.

(c) (i) As of the Effective Date, since September 30, 2005, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect and (ii) thereafter, since June 30, 2006, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

(d) The Borrower and each of its Subsidiaries maintains its books and records (including appropriate copies, backups and archives of such books and records) in accordance with standard industry practice and, where applicable, in accordance with Mexican GAAP.

Section 4.7. Taxes, Assessments and Fees. The Borrower has timely filed all Tax returns and reports required to have been filed and has paid all taxes and utility and public service charges due, except such taxes and utility and public service charges as are being contested in compliance with Section 5.10 except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 4.8. No Burdensome Restrictions; Compliance with Laws.

(a) Except as previously disclosed to the Lenders in writing prior to the Effective Date, no Requirement of Law applicable to or any Contractual Obligation of the Borrower or any Subsidiary could reasonably be expected to have a Material Adverse Effect.

(b) No exchange control law or regulation prevents the Borrower and its Subsidiaries, taken as a whole, from complying with its obligations in respect of any Loan, unless the Loan Parties, taken as a whole, can still comply with the Obligations under the Loan Documents.

Section 4.9. Investment Company Act; Public Utility Holding Company Act. None of the Loan Parties is (a) an “investment company” required to register as such under the Investment Company Act of 1940, as amended or (b) a “holding company” as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935. None of the Borrower or any of its Subsidiaries is subject to regulation under any federal or state statute or regulation of either the United States or Mexico (other than Regulation X) which prohibits the Borrower’s ability to incur Indebtedness under the Loan Documents.

Section 4.10. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which the Borrower or any of its Subsidiaries is subject, and all other matters known to any of them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the information relating to the Loan Parties, or their Subsidiaries, set forth in any reports, financial statements, certificates or other information furnished by or on behalf of the Borrower or any Loan Party to the Administrative Agent or any Lender in connection with the Loan Documents or delivered hereunder contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect.

Section 4.11. Absence of Default. No Default or Event of Default has occurred and is continuing.

Section 4.12. Obligations Pari Passu; Recourse; Liens. The Obligations of the Borrower under this Agreement and the Notes rank at least pari passu in right of payment with all its other senior unsecured Indebtedness, except for obligations accorded preference by mandatory provisions of law or permitted under this Agreement. There is no Lien upon or with respect to any of the present or future properties or Indebtedness of the Borrower or its Subsidiaries other than liens permitted or required by this Agreement, including, without limitation, Permitted Liens.

Section 4.13. Withholding Tax. As of the Effective Date, there is no tax, levy, impost, deduction, charge or withholding imposed, levied or made by or in Mexico or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or the Notes or the Fee Letter or (ii) on any payment to be made by the Borrower pursuant to this Agreement, the Notes or the Fee Letter to any Person, except that payments of interest under this Agreement and fees payable hereunder and under the Fee Letter will be subject to a Mexican withholding tax at a rate of 4.9% so long as the payee thereof, that is not a Mexican Financial Institution, (x) is a foreign commercial bank or other financial institution registered with Hacienda for purposes of clause a), subclause 2 of Section I of Article 195 of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), the regulations thereunder and any administrative rules issued thereunder, (y) is a resident for tax purposes of a country or the main office of which, if lending through a branch or agency, with which Mexico has entered into a treaty for the avoidance of double taxation and (z) is the effective beneficiary of the interest payment and, if applicable, the Borrower complies with general rules issued by Hacienda. As of the Effective Date, the Borrower is permitted under applicable law, to make all payments pursuant to this Agreement, the Notes and the Fee Letter free and clear of all taxes, levies, imposts, deductions, charges or withholdings imposed, levied or made by or in Mexico or any political subdivision or taxing authority thereof, as provided in this Agreement and in the Notes, without any liability to be borne by the payee in connection with such Mexican withholding tax to the extent that the Borrower has complied with its obligations in Section 2.12 of this Agreement to pay to the appropriate Mexican authorities applicable withholding taxes required to be paid by the Borrower.

Section 4.14. Proper Form; No Filing. As of the Effective Date, this Agreement and each other Loan Document to which it is a party is (or, in the case of any Note, will be, upon the issuance thereof in accordance herewith) in proper legal form for the enforcement thereof in Mexico against the Borrower and each of the other Loan Parties; except for, the registration of the Pledge Agreements before the Public Registry of

Commerce corresponding to the corporate domicile of each of the Mexican Persons issuing the equity interests pledged under such Pledge Agreement in accordance with the terms of such Pledge Agreement. As of the Effective Date, to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement, the Fee Letter, the Notes or any other Loan Document in Mexico, it is not necessary that this Agreement or any other document be filed or recorded with any Governmental Authority in Mexico or be notarized, or that any stamp or similar tax be paid on or in respect of this Agreement, the Fee Letter, any of the Notes or any other Loan Document.

Section 4.15. Immunity. Each Loan Party is subject to suit in its jurisdiction of incorporation and neither it nor its property has any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, set-off or counterclaim, the jurisdiction of any competent court and service of process, attachment or execution with respect to its obligations, liabilities, or any other matter under or arising out of or in connection with any Loan Document. The performance of the Loan Documents by the Loan Parties constitutes private and commercial acts rather than governmental or public acts.

Section 4.16. Properties; Insurance.

(a) The Borrower and each of its Subsidiaries has good title to, valid leasehold interests in, or right to use, all its real and personal property material to its business, except for minor defects in title that do not interfere in any material respect with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) The Borrower and each of its Subsidiaries owns, or has the legal right to use, all patents, trademarks, trade names, copyrights, technology, know-how and processes necessary for the conduct of its business substantially as currently conducted (the "Intellectual Property") except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Borrower or any Subsidiary know of any such claim and, to the knowledge of the Borrower and its Subsidiaries, the use of such Intellectual Property by the Borrower and its Subsidiaries does not infringe on the rights of any Person, except for such claims and infringements that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(c) All material properties of the Borrower and each of its Subsidiaries are insured with financially sound, responsible and reputable insurance companies in accordance with Section 5.8.

Section 4.17. Subsidiaries. Schedule 4.17 sets forth the name of, and, if less than 100%, the ownership interest of the Borrower in, each Subsidiary of the Borrower, in each case as of the Effective Date.

Section 4.18. Federal Regulations. No part of the proceeds of any Loan will be used for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

Section 4.19. Labor Matters.

(a) As of the Effective Date, there are no strikes, lockouts or slowdowns against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower, threatened. The hours worked by and payments made to employees of the Borrower and the Subsidiaries have not been in violation of any Applicable Law dealing with such matters which could reasonably be expected to have a Material Adverse Effect. All material payments due from the Borrower or any Subsidiary, or for which any claim may be made against the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound which could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Borrower nor any of its Subsidiaries has taken any action (including any steps to terminate any Compensation Plan), nor made any omission (including any failure to make any required contribution to any Compensation Plan), with respect to any Compensation Plan, in either case that could reasonably be expected to (i) give rise to a Lien over any of its properties, assets or revenues (other than Permitted Liens) or (ii) result in a Material Adverse Effect.

Section 4.20. Solvency. Immediately after the consummation of the Transactions to occur on the Effective Date and immediately following the making of each Loan and after giving effect to the application of the proceeds of such Revolving Loans, (a) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) each Loan Party will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Effective Date and immediately following the making of each Loan.

Section 4.21. Existing Indebtedness. Schedule 4.21 sets forth a complete and accurate list of all of the Indebtedness for borrowed money of the Borrower and each of its Subsidiaries outstanding as of the Effective Date, showing as of such date the outstanding (or potential) principal amount thereof (the "Existing Indebtedness"). No other Indebtedness has been incurred since the Effective Date except as permitted by the Loan Documents.

Section 4.22. Transactions with Affiliates. Except as otherwise permitted by Section 6.6, neither the Borrower nor any of its Subsidiaries is a party to any contract or agreement with, or has any other commitment to, any Affiliate.

Section 4.23. Senior Indebtedness

There are no consents or authorizations needed by any Loan Party under any agreement relating to material Indebtedness of such Loan Parties (the "Existing Credit Facilities") or the Indentures to enter into this Agreement and to consummate the transactions hereunder. The Indebtedness under this Agreement constitutes permitted indebtedness under the Existing Credit Facilities and the Indentures, the Liens granted pursuant to this Agreement and the Loan Documents constitute permitted liens under the Existing Credit Facilities and the Indentures, there is no restriction on the Loan Parties in the Existing Credit Facilities or the Indentures prohibiting such Loan Party from guarantying the Obligations hereunder, and subject to Section 2.4(b)(viii), there is no restriction in the Existing Credit Facilities or the Indenture with respect to the making of the mandatory prepayments pursuant to Section 2.4 or the payment of principal and interest hereunder.

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that, from and after the Effective Date and for so long as the Revolving Loan Commitments are in effect and thereafter until payment in full of the Revolving Loans and any other amount then due and owing to any Lender or the Administrative Agent hereunder and under any other Loan Document, the Borrower shall and (except in the case of delivery of financial information, reports and notices) shall cause each of its Subsidiaries to:

Section 5.1. Senior Obligations. Ensure that its obligations under this Agreement and the Notes shall at all times rank at least *pari passu* with all its other present and future direct, indirect, unsecured and unsubordinated Indebtedness, except for obligations accorded preference by mandatory provisions of law or permitted under this Agreement.

Section 5.2. Financial Statements and Other Information. Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in no event later than the 180th day after the end of each fiscal year of the Borrower, its audited consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Mancera, S.C., member of Ernst and Young Global, or other independent public accountants of recognized international standing reasonably acceptable to the Administrative Agent to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with Mexican GAAP consistently applied;

(b) **[Reserved]**

(c) as soon as available, but in no event later than the 45th day after the end of each fiscal quarter of each fiscal year of the Borrower (except with respect to the third quarter of each fiscal year, within 90 days), its consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in

comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Responsible Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with Mexican GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(d) concurrently with the submission of the same with the Securities and Exchange Commission, for Parent, Form 10-K and 10-Q along with a certificate of a Responsible Officer of Parent stating that Parent is not in Default of, and no Event of Default has occurred under any Loan Document;

(e) concurrently with any delivery of financial statements under clause (a) or (c) above, a certificate of a Responsible Officer of the Borrower in substantially the form of Exhibit G (each, a "Compliance Certificate") (i) stating that, to the best of such Responsible Officer's knowledge, the Borrower and each of its Subsidiaries during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement or the other Loan Documents to which it is a party to be observed, performed or satisfied by it and that such Responsible Officer has obtained no knowledge of any Default or Event of Default, except, in each case, as specified in such certificate, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.1, (iii) stating whether any change in Mexican GAAP or in the application thereof has occurred since the date of the Borrower's audited financial statements referred to in Section 4.6 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, and (iv) stating the Applicable Margin and setting forth the calculation of the Parent Consolidated Leverage Ratio;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any of its Subsidiaries with the *Comisión Nacional Bancaria y de Valores*, the Securities and Exchange Commission, or any other Governmental Authority or securities exchange, or distributed by the Borrower to the holders of its securities generally, as the case may be; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or regarding compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request.

Section 5.3. Notices of Material Events. Promptly give notice to the Administrative Agent and each Lender of:

(a) as soon as possible after a Responsible Officer of the Borrower knows of the occurrence of any Default or Event of Default;

(b) as soon as possible after a Responsible Officer of the Borrower knows, any litigation, investigation or proceeding which exists at any time between the Borrower or any of its Subsidiaries and any Governmental Authority which could reasonably be expected to have a Material Adverse Effect;

(c) as soon as possible after a Responsible Officer of the Borrower knows of any litigation or proceeding affecting the Borrower or any of its Subsidiaries or in which injunctive or similar relief is sought, in each case, that could reasonably be expected to have a Material Adverse Effect;

(d) as soon as possible and in any event within 10 days after a Responsible Officer of the Borrower or any of its Subsidiaries knows, the occurrence of any action (including any steps to terminate any Compensation Plan) or any omission (including any failure to make any required contribution to any Compensation Plan) with respect to any Compensation Plan, in either case the result of which could reasonably be expected to result in a Material Adverse Effect;

(e) as soon as possible after a Responsible Officer of the Borrower knows of any Material Adverse Effect;

(f) as soon as possible after a Responsible Officer of the Borrower knows (i) any release or discharge by the Borrower or any of its Subsidiaries of any Materials of Environmental Concern required to be reported under applicable Environmental Laws to any Governmental Authority, which the Borrower reasonably determines would reasonably be expected to exceed US\$15,000,000 or to have a Material Adverse Effect, and (ii) any condition, circumstance, occurrence or event not previously disclosed in writing to the Administrative Agent that could result in liability under applicable Environmental Laws, which the Borrower reasonably determines would reasonably be expected to exceed US\$15,000,000 or to have a Material Adverse Effect; and

(g) at the request of any Lender, within 10 days after such request, an updated organization chart of Borrower and its Subsidiaries stating whether any new Subsidiary has been formed or incorporated since the previous year.

Each notice pursuant to this subsection shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

Section 5.4. Use of Proceeds. Use the proceeds of Revolving Loans extended by the Lenders solely to finance an intercompany restructuring providing for the purchase by the Borrower of a portion of the Equity Interest of Pilgrim's Pride, LLC, for general corporate purposes, for working capital purposes, to finance capital expenditures, and for the payment of the fees and expenses set forth herein and related to such restructuring.

Section 5.5. Conduct of Business and Maintenance of Existence. (a) Continue to engage in business of the same general type as now conducted by it, and preserve, renew and keep in full force and effect its corporate existence (except as permitted herein) and (b) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of the Borrower and its Subsidiaries' business and comply with all Contractual Obligations and Requirements of Law, except as permitted in the Loan Documents or to the extent that failure to comply therewith, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.6. Maintenance of Government and Third Party Approvals. Maintain in full force and effect all Governmental Approvals (including any exchange control approvals), and other third party approvals, consents, licenses and authorizations which may be necessary or appropriate under any applicable law or regulation (a) for the conduct of its business except to the extent that such failure, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (b) for the execution, delivery and performance of this Agreement and the other Loan Documents by each Loan Party and for the validity or enforceability against it hereof and thereof, and take all necessary governmental and administrative action to make all payments to be made by it hereunder and thereunder. The Borrower will file all applications necessary for, and shall use its reasonable best efforts to obtain, any additional authorization as soon as possible after determination that such authorization or approval is required for the Borrower to perform its obligations hereunder or under this

Agreement and the other Loan Documents, including, but not limited to, any filings necessary to obtain payment in Dollars in respect of any amounts owing hereunder or under the other Loan Documents in Dollars.

Section 5.7. Compliance with Laws and Other Instruments. Comply in all material respects with (a) all applicable Requirements of Law and (b) any of the terms, covenants, conditions or provisions of any Contractual Obligations except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 5.8. Maintenance of Properties; Intellectual Property; Insurance. Keep and maintain (a) all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, (b) all of its (and its right to use) patents, trademarks, permits, service marks, trade names, copyrights, franchises, formulas, licenses or other intellectual property rights, the non-preservation or non-renewal of which (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect and (c) maintain insurance with financially sound, responsible and reputable insurance companies in such amounts and covering such risks as customarily carried by companies engaged in the same or similar businesses and owning and/or operating properties similar to those owned and/or operated by the Borrower or such Subsidiary, as the case may be, in the same general areas in which the Borrower or such Subsidiary owns and/or operates its properties; provided that the Loan Parties may self-insure for workmen's compensation, group health risks and their live chicken inventory in accordance with applicable industry standards. No Loan Party will be prevented by this covenant from discontinuing those operations or disposing of or suspending the maintenance of those properties which, in the reasonable judgment of such Loan Party, is no longer necessary or useful in the conduct of such Loan Party's business or would not result in a Material Adverse Effect.

Section 5.9. Books and Records, Inspection and Audit Rights.

(a) Keep proper books of records and account in which full, complete and correct entries in conformity with Mexican GAAP and all Requirements of Law in all material respects shall be made of all material dealings and transactions in relation to its business and activities.

(b) Permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior written notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, in each case during normal business hours and as often as reasonably requested.

Section 5.10. Payment of Tax Obligations. Pay its Tax liabilities before the same shall become delinquent or in default, except where (a)(i) being contested in good faith by appropriate proceedings diligently conducted and such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation, (ii) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with Mexican GAAP and (iii) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect or (b) the amount of such Tax liabilities does not exceed US\$2,000,000.

Section 5.11. Environmental Laws. (a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, of the Borrower or its Subsidiaries with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants, if any, of the Borrower or its Subsidiaries obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except where such failure to comply could not reasonably be expected to result in a Material Adverse Effect and (b) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except where such orders and directives are being contested in good faith and the Borrower or the relevant Subsidiary has set aside on its books adequate reserves with respect to the liabilities that could reasonably be expected to result therefrom in accordance with Mexican GAAP or except where such failure could not reasonably be expected to result in a Material Adverse Effect.

Section 5.12. Further Assurances. Do and perform, and cause each of its Subsidiaries to do and perform, from time to time, any and all acts (and execute any and all documents) as may be necessary or as may be reasonably requested by the Administrative Agent in order to effect fully the purposes of the Loan Documents.

Section 5.13. Subsidiaries; Guarantors.

(a) With respect to each Foreign Subsidiary created or acquired subsequent to the Effective Date by the Borrower or any of its Subsidiaries, promptly notify the Administrative Agent of such event.

(b) With respect to each Foreign Subsidiary which becomes a Local Guarantor after the date hereof, cause such Local Guarantor to (i) promptly execute and deliver to the Administrative Agent for the benefit of the Lenders a Guarantor Accession Agreement substantially in the form of Exhibit H, (ii) deliver all certificates, instruments and opinions as the Administrative Agent may reasonably request in connection therewith and (iii) take all other actions that the Administrative Agent may reasonably request to cause such Local Guarantor to Guarantee the Obligations and to ensure the validity and enforceability of such Guarantee.

Section 5.14. Post Closing Obligations. Comply with the requirements set forth on Schedule 5.14 within the period set forth therein.

Section 5.15. Operations. Borrower will at all times remain a holding company and not engage any substantive operations other than the ownership of its Subsidiaries.

ARTICLE VI

NEGATIVE COVENANTS

The Borrower covenants and agrees that from and after the Effective Date, for so long as the Revolving Loan Commitments are in effect and thereafter until payment in full of the Revolving Loans and any other amount then due and owing to any Lender or the Administrative Agent hereunder and under any other Loan Document, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

Section 6.1. Financial Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the last day of any fiscal quarter of the Borrower to exceed 0.50 to 1.00.

(b) Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio as of the last day of any fiscal quarter for the previous eight quarter period of the Borrower to be less than 1:50 to 1:00.

(c) Consolidated Tangible Net Worth. Permit its Consolidated Tangible Net Worth to be less than P\$1,825,000,000, increasing (a) on the last day of each fiscal year of the Borrower by (i) an amount equal to the inflation for such fiscal year of Borrower in Mexico (as published by Banco de Mexico) (starting with the 2007 fiscal year of Borrower), plus (ii) an amount equal to 50% of the Consolidated Net Income (but not less than zero) for such fiscal year of Borrower, and (b) on the date the Borrower and any of its Subsidiaries issues any Equity Interests of the Borrower or its Subsidiaries by an amount equal to 100% of the cash and Temporary Cash Equivalents proceeds received by or for the Borrower's or its Subsidiaries' account, net of reasonable legal, underwriting, and other fees and expenses incurred as a direct result thereof.

Section 6.2. Limitation on Restricted Payments. Declare or pay any dividend (other than dividends payable solely in Equity Interests of the Borrower or options, warrants or other rights to purchase Equity Interests of the Borrower) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interests of the Borrower or such Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) Subsidiaries may declare and pay or make dividends ratably with respect to their Equity Interests;

(b) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may make (i) Restricted Payments to the holders of its Equity Interests solely to the extent that such payments are required to be permitted to be made in order to be in compliance under the Indenture and (ii) non-cash dividends to the holders of its Equity Interests solely in Equity Interests of the Borrower or options, warrants and other rights to purchase Equity Interests of Borrower;

(c) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may purchase Equity Interests of the Borrower or any of its Subsidiaries from present or former officers, directors or employees (or their estates or beneficiaries under their estates) upon the death, disability, retirement or termination of employment or service of such officer, director or employee, or otherwise in accordance with any stock option plan or any employee stock ownership plan that has been approved by the Board of Directors; provided that the aggregate principal amount paid in

respect of all such Equity Interests so purchased (net of any proceeds received by the Borrower subsequent to the date hereof in connection with resales of any Equity Interests or options to purchase Equity Interests so purchased) shall not exceed during any fiscal year of the Borrower, US\$500,000;

(d) Borrower may consummate the intercompany restructuring providing for the purchase by the Borrower of the Equity Interests of Pilgrim's Pride, LLC; and

(e) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, Borrower or a Subsidiary Loan Party may repurchase, redeem, defease, retire or acquire any Equity Interests of a Subsidiary Loan Party.

Section 6.3. Limitation on Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Equity Interests, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) Investments existing on the Effective Date and set forth on Schedule 6.3;

(b) cash and Temporary Cash Investments;

(c) Investments by the Borrower and its Subsidiaries in Equity Interests in their respective Subsidiaries that are Loan Parties;

(d) loans or advances made by the Borrower to any Subsidiary that is a Loan Party and made by any Subsidiary to the Borrower or any other Subsidiary that is a Loan Party;

(e) extensions of trade credit in the ordinary course of business;

(f) loans and advances to employees of the Borrower or any of its Subsidiaries in the ordinary course of business for bona fide purposes (including for travel, entertainment and relocation expenses);

(g) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy, insolvency, *suspensión de pagos*, *quiebra* or *concurso mercantil* of such trade creditors or customers;

(h) Investments permitted under Sections 6.2 and 6.8;

(i) loans and advances to employees and contract growers in an aggregate amount not to exceed \$25,000,000 at any time outstanding;

(j) Investments in the Luxembourg Bond; and

(k) Investments not covered by clauses (a) through (j) above, in an amount not to exceed at any time an aggregate of \$20,000,000.

Section 6.4. [Intentionally Deleted.]

Section 6.5. Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries. Create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any of its Subsidiaries to (a) pay dividends or make any other distributions permitted by applicable law on any Equity Interests of such Subsidiary owned by the Borrower or any other of its Subsidiaries, (b) pay any Indebtedness owed to the Borrower or any other of its Subsidiaries, (c) make loans or advances to the Borrower or any other of its Subsidiaries, or (d) transfer any of its property or assets to the Borrower or any other of its Subsidiaries, other than:

(i) encumbrances and restrictions existing on the Effective Date and set forth on Schedule 6.5 incurred in connection with obligations existing on the Effective Date or any extension or refinancing thereof (excluding any amendment or modification expanding the scope of any such encumbrance or restriction);

(ii) encumbrances and restrictions existing with respect to any Person or the property or assets of such Person acquired by the Borrower or any of its Subsidiaries, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired;

(iii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale; provided that such restrictions and conditions apply only to the subsidiary that is to be sold and such sale is permitted hereunder;

(iv) customary restrictions on the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset; and

(v) encumbrances and restrictions contained in the terms of any Indebtedness incurred in accordance with Section 6.8 or any agreement pursuant to which such Indebtedness was issued if (i) the encumbrance or restriction applies only in the event of a payment default or a default with respect to a financial covenant contained in such Indebtedness or agreement, (ii) the encumbrance or restriction is not materially more disadvantageous to the Administrative Agent or the Lenders than is customary in comparable financings (as determined by the Borrower in good faith), and (iii) such encumbrance or restriction would not materially affect the Borrower's ability to make principal or interest payments on the Revolving Loans (as determined by the Borrower in good faith);

(vi) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on the property so acquired;

(vii) any agreement for the sale or other disposition of a Subsidiary that restricts distributions by that Subsidiary pending its sale or other disposition;

(viii) Permitted Liens securing Indebtedness that limit the right of the debtor to dispose of the assets subject to such Permitted Lien;

(ix) customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements entered into in the ordinary course of business that restrict the transfer of assets or ownership interests in such partnership, limited liability company, joint venture or similar Person;

(x) provisions with respect to the disposition or distribution of assets or property in asset sale agreements, stock sale agreements and other similar agreements;

(xi) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(xii) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations above provided that such amendments or refinancings are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing.

Section 6.6. Limitation on Transactions with Affiliates. Sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business that are at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and the Subsidiary Loan Parties not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.2, (d) any Investment permitted by Section 6.3(a)-(l) and (e) any Indebtedness permitted by Section 6.8(a)-(h).

Section 6.7. Limitation on Liens. Create, incur, assume or suffer to exist any Lien on any of the Borrower's or any of its Subsidiaries' assets or properties of any character, or on any shares of Equity Interests or Indebtedness of any of its Subsidiaries, except:

(a) Liens in existence on the Effective Date and listed on Schedule 6.7 and other Liens, securing Indebtedness of the Borrower and its Subsidiaries permitted by Section 6.8(a); provided that such Lien (i) shall not apply to any other property or asset of the Borrower or any Subsidiary after the Effective Date and (ii) shall secure only those obligations which it secures on the date hereof ;

(b) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any of its Subsidiaries or existing on any property or asset of any Person that becomes a Subsidiary of the Borrower after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary of the Borrower, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any of its Subsidiaries, (iii) the Indebtedness secured thereby does not exceed 75% of the fair market value of such property or asset and (iv) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary of the Borrower, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(c) Permitted Liens.

Section 6.8. Limitation on Indebtedness. Create, incur, assume or suffer to exist Indebtedness except:

(a) Existing Indebtedness, but not any extensions, renewals or replacements of any such Indebtedness except (i) renewals and extensions permitted by the agreements evidencing any such Indebtedness and (ii) extensions and replacements of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Lenders than the Indebtedness being extended or refinanced taken as a whole, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being extended or refinanced; provided that any Indebtedness permitted under the preceding clauses (i) and (ii) shall not (x) include any Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced or (y) exceed in a principal amount thereof (or accreted value thereof) plus accrued and unpaid interest on the Indebtedness being renewed, extended or refinanced (plus the amount of necessary fees and expenses incurred in connection therewith and any premiums paid on the Indebtedness repaid);

(b) Indebtedness of the Borrower to any of its Subsidiaries and Indebtedness of any Subsidiary of the Borrower to the Borrower or any other of its Subsidiaries; provided that (i) Indebtedness owed by the Borrower to any of its Subsidiaries that is not a Loan Party shall be subordinated to the prior payment in full of the Obligations, (ii) (A) Indebtedness of any Subsidiary that is not a Loan Party to the Borrower or (B) Indebtedness of any Subsidiary that is not a Loan

Party to any Subsidiary Loan Party shall be subordinated to the prior payment in full of the Obligations and (iii) so long as any Revolving Loans are outstanding under the Loan Documents, Indebtedness of any Subsidiary that is not a Loan Party owed to the Borrower or any Subsidiary Loan Party, shall not exceed an amount equal to \$10,000,000 in the aggregate at any time;

(c) Guaranties by the Borrower of Indebtedness of any of its Subsidiaries and by any Subsidiary of the Borrower of Indebtedness of the Borrower or any other of its Subsidiaries; provided that Guaranties by the Borrower or any Subsidiary Loan Party of Indebtedness of any Subsidiary that is not a Loan Party (i) shall be subordinated to the prior payment in full of the Obligations and (ii) so long as any Revolving Loans are outstanding under the Loan Documents, shall not exceed an amount equal to \$10,000,000 in the aggregate at any time;

(d) Indebtedness of the Borrower's Subsidiaries which are not Loan Parties; provided that (i) no Loan Party shall have any obligation to such Subsidiary to maintain or preserve such entity's financial condition or to cause such Subsidiary to achieve certain levels of operation results and (ii) such Indebtedness shall not be, directly or indirectly, guaranteed by, or otherwise supported by, any Loan Party and no Person shall have recourse, directly or indirectly, to any Loan Party in respect of such Indebtedness;

(e) The incurrence by the Borrower or any of its Subsidiaries of purchase money obligations incurred in the ordinary course of business in an amount outstanding at any one time as of the date of any such incurrence not to exceed 75% of the purchase price or fair market value of the asset purchased, acquired or constructed;

(f) Indebtedness of the Borrower and its Subsidiaries to the Parent and its Subsidiaries (other than the Subsidiary Loan Parties) subordinated to the Indebtedness hereunder on terms and conditions acceptable to Agent; and

(g) other Indebtedness in an aggregate principal amount not exceeding US\$5,000,000 (the "Initial Indebtedness Basket") at any time outstanding, provided, that the Initial Indebtedness Basket may be increased in increments of \$5,000,000 upon each repayment of \$5,000,000 on the Reducing Revolver Portion of the Revolving Loan Commitment until such time as the Reducing Revolver Portion of the Revolving Loan Commitment is reduced to \$0.00, provided, further, that the Initial Indebtedness Basket shall in no event be increased to an amount in excess of \$25,000,000.

Section 6.9. [Reserved].

Section 6.10. Limitation on Asset Sales. Consummate any Asset Sale, except:

- (a) sales or other dispositions of inventory, receivables and other current assets, in the ordinary course of business;
- (b) sales or other dispositions of Temporary Cash Investments;
- (c) sales, transfers, assignments or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Borrower or its Subsidiaries,
- (d) sales, transfers or other dispositions by the Borrower or any Subsidiary of Borrower to a Person that is a Loan Party; and
- (e) an issuance of Equity Interests by the Borrower or any of the Borrower's Subsidiaries to one or more of the Loan Parties;
- (f) the sale, lease or other disposition of any assets or rights to the extent constituting a Restricted Payment permitted by Section 6.2 or an Investment that is permitted by Section 6.3 hereof; and
- (g) sales, transfers and other dispositions of assets (other than Equity Interests in a Subsidiary) that are not permitted by any other clause of this Section; provided that (i) the consideration received by the Borrower or such Subsidiary is at least equal to the fair market value of the assets sold or disposed of, (ii) at least 80% of the consideration received consists of cash or Temporary Cash Investments and (iii) the Net Cash Proceeds of such Asset Sale are applied to the extent required by Section 2.4(b).

Section 6.11. Consolidation, Merger and Sale of Assets. Consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the property and assets of the Borrower or any of its Subsidiaries (as an entirety or substantially an entirety in one transaction or a series of related transactions) to, any Person or permit any Person to merge with or into the Borrower or any of its Subsidiaries, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Loan Party (provided that the Subsidiary Loan Party shall be the continuing or surviving corporation);

(b) any Subsidiary may dispose of any or all of its assets (i) to the Borrower or any Subsidiary Loan Party (upon voluntary liquidation or otherwise) or (ii) pursuant to a disposition permitted by Section 6.10;

(c) a Subsidiary (other than a Loan Party) of the Borrower may merge or consolidate with any other Person if immediately after giving effect to such merger no Default or Event of Default shall have occurred and be continuing; and

(d) sales, transfers or other dispositions of the assets of any Subsidiary for which the fair market value in the aggregate does not exceed in any fiscal year of the Borrower 5% or more of the lesser of the book or fair market value of the property and assets of the Borrower determined on a consolidated basis as of the last day of the previous fiscal year of the Borrower and are made in accordance with Section 6.10.

Section 6.12. [Intentionally Deleted].

Section 6.13. Amendments to Organizational Documents. Amend, restate, supplement, terminate, modify or otherwise change in any manner that could reasonably be expected to be material and adverse to the Lenders, any term or condition of any of its charter, by-laws, *estatutos sociales* (or other similar organizational document), except as required as a result of an effective amendment to any Applicable Law, in which case the Borrower shall give prompt notice to the Administrative Agent of such proposed change, but in any event no less than five Business Days prior to the date on which such change shall become effective.

Section 6.14. Hedging Agreements. Enter into, purchase or otherwise acquire any Hedging Agreement, other than Hedging Agreements (i) entered into with Lenders or their Affiliates (“Lender Hedging Agreements”) or (ii) purchased or otherwise acquired in the ordinary course of business with reputable financial institutions or vendors and not for speculative purposes to hedge or mitigate risks to which the Borrower or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities.

Section 6.15. Indenture Restrictions. Subject to Section 6.2, notwithstanding anything in this Agreement or the Loan Documents to the contrary, provided that no Event of Default or Default has occurred and is continuing, nothing contained herein shall be deemed to prohibit, encumber, restrict or prevent Borrower or any of its Subsidiaries from making any payments, loans, advances, dividends, distributions or transfers to Parent or any Subsidiary of Parent solely to the extent that such payments, loans, advances, dividends, distributions or transfers are required to be permitted to be made in order to be in compliance under the Indenture as in effect on the date hereof.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. If any of the following events (each, an “Event of Default”) occur:

(a) within two (2) Business Days of the date when due, the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof (whether at stated maturity, by mandatory prepayment or otherwise); or within five (5) Business Days of the date when due, the Borrower shall fail to pay any interest on any Loan, or any other amount payable hereunder; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document (or in any amendment, modification or supplement hereto or thereto) or which is contained in any certificate, document or financial or other statement furnished at any time pursuant to or in connection with this Agreement or any Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any covenant contained in Sections 5.1, 5.2, 5.3, 5.9(b), 5.13, 5.14, 6.2, 6.5, 6.7, 6.8, 6.10, 6.11, 6.13, 6.14 or 6.15 of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any covenant contained in Sections 5.5, 6.1, 6.3 or 6.6 of this Agreement and such default continues for fifteen (15) days; or

(e) any Loan Party shall default in the observance or performance of any covenant or agreement (except as specified in Section 7.1(a)-(d) above) contained in any Loan Document to which it is a party and such default continues for thirty (30) days; or

(f) the Borrower or any of the other Loan Parties shall (i) default in any payment of principal of or interest on any Indebtedness outstanding in an aggregate principal amount of at least US\$20,000,000 (or the equivalent thereof in another currency), including in the payment of any Guaranty, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or Guaranty or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, in each case beyond any applicable grace period or cure period, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness, including the beneficiary or beneficiaries of any Guaranty (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity, including any Guaranty to become payable; or

(g) (i) any Loan Party shall commence any case, proceeding or other action (x) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, *suspensión de pagos*, *quiebra*, *concurso mercantil*, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt, *en quiebra* or insolvent, or seeking an order of *concurso mercantil*, reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (y) in any jurisdiction seeking appointment of a receiver, trustee, custodian, conservator, *conciliador*, *síndico*, *interventor* or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of the Loan Parties shall make a general assignment for the benefit of its creditors, (ii) there shall be commenced against any Loan Party, in any jurisdiction any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in the entry of an order for relief or any such adjudication or appointment or (y) to the extent applicable, remains undismissed, undischarged or unbonded for a period of 60 days,

(iii) there shall be commenced against any Loan Party in any jurisdiction any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 90 days from the entry thereof, (iv) any Loan Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above or (v) any Loan Party shall admit in writing its inability to pay its debts as they become due; or

(h) one or more judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability (to the extent not paid or fully covered by insurance) of US\$20,000,000 (or an amount in another currency equivalent thereto) or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party; or

(i) any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate all or substantially all of the assets or the capital stock of the Borrower and the Loan Parties, taken as a whole, and such action is not reversed within a period of 60 days; or

(j) a Change of Control shall occur; or

(k) the validity of any Loan Document shall be contested by any Loan Party or any Loan Party shall deny liability under any Loan Document to which it is a party or any Loan Document shall for any reason be terminated without the consent of the Lenders required hereunder or thereunder, or become invalid, ineffective or unenforceable; or

(l) any restriction or requirement not in effect on the date hereof is imposed, whether by legislative enactment, decree, regulation, order or otherwise, which (i) both (A) prevents the availability or the transfer of foreign exchange by the Loan Parties, taken as a whole, and (B) prohibits the Loan Parties', taken as a whole, ability to pay any material portion of the Obligations under the Loan Documents or (ii) prohibits the Loan Parties', taken as a whole, ability to pay any material portion of the Obligations under the Loan Documents; or

(m) Mexico (including any Governmental Authority thereof) shall impose, or make an official announcement of its intention to impose, whether by legislative enactment, decree, regulation, order or otherwise, any foreign exchange controls or similar measures the effect of which would prevent the ability of the Loan Parties, taken as a whole, to satisfy their material Obligations under the Loan Documents with respect to LIBOR Loans, or other material amounts denominated in Dollars, in Dollars in the United States of America in accordance with the Loan Documents;

then, and in every such event (other than an event with respect to the Borrower described in clause (g) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Majority Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Revolving Loan Commitments, and thereupon the Revolving Loan Commitments shall terminate immediately and (ii) declare the Revolving Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Revolving Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (g) of this Article, the Revolving Loan Commitments shall automatically terminate and the principal of the Revolving Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.1. Appointment and Authorization. Each Lender hereby irrevocably (subject to Section 8.9) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the Loan Documents and to exercise such powers and perform such duties as expressly are delegated to it by the Loan Documents, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained in any Loan Document: (a) the Administrative Agent shall not have any duties or responsibilities except those expressly set forth in the Loan Documents, (b) the Administrative Agent shall not have or be deemed to have any fiduciary relationship with any Lender and (c) no implied covenants, functions,

responsibilities, duties, obligations or liabilities shall be read into any Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement or any other Loan Document with reference to the Administrative Agent (or any other Agent-Related Person) is not intended to connote any fiduciary or other implied (or express) obligations arising under the agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

Section 8.2. Delegation of Duties. The Administrative Agent may execute any of its duties under any Loan Document by or through agents, employees, attorneys-in-fact or affiliates, and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for any degree of negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

Section 8.3. No Liability of Agent-Related Persons. None of the Agent-Related Persons shall: (a) be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document or the transactions contemplated thereby (except for such Person’s own gross negligence or willful misconduct) or (b) be responsible in any manner to any of the Lenders for: (i) any recital, statement, representation or warranty made by the Loan Parties, or any of the Borrower’s other Subsidiaries, or any officer thereof, contained in any Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by any Agent-Related Person under or in connection with, any Loan Document, (ii) the validity, effectiveness, genuineness, enforceability or sufficiency of any Loan Document, (iii) any failure of either Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder or (iv) any recital, statement, representation or warranty made by or on behalf of any Lender or any of its Affiliates. Except as specifically provided in the Loan Documents, no Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, any Loan Document, or to inspect the properties, books or records of the Borrower or any of its Subsidiaries or Affiliates. No Agent-Related Person shall have any obligation to ascertain or to inquire as to the financial condition, operations or status of any Lender or as to the validity of any recital, statement, representation or warranty made by or on behalf of any Lender or any of its Affiliates. Notwithstanding anything in the Loan Documents to the contrary, in no event shall any Agent-Related Person or any Lender be liable to any Person (including the Borrower or any Lender) for any punitive, consequential or similar damages.

Section 8.4. Reliance by the Agent-Related Persons.

(a) Each Agent-Related Person shall be entitled to rely, and shall be fully protected in relying, upon any agreement (including this Agreement), note (including any Note), writing, resolution, notice, consent, certificate, affidavit, letter, telegram, electronic transmission, facsimile or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person(s), and upon advice and statements of legal counsel (including counsel to the Loan Party), independent accountants and other experts selected by any Agent-Related Person. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. Each Agent-Related Person shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Each Agent-Related Person in all cases shall be fully protected in acting, or in refraining from acting, under any Loan Document in accordance with a request or consent of the Majority Lenders, and such request and any action taken or failure to act under any Loan Document pursuant thereto shall be binding upon all of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Sections 3.1 and 3.2, each Lender shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter either sent by any Agent-Related Person to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender or the Administrative Agent.

Section 8.5. Notice of Default. No Agent-Related Person shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless such Agent-Related Person shall have received written notice from a Lender or a Loan Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default.” Such Agent-Related Person promptly shall notify the Administrative Agent (which notice the Administrative Agent promptly shall distribute to each Lender) of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be directed by the Majority Lenders; provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interests of the Lenders.

Section 8.6. Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by any Agent-Related Person hereinafter taken, including any review of the affairs of the Borrower, its Affiliates and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender or other Agent-Related Person. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based upon such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, its Affiliates and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender represents to each other party hereto that it is a bank, savings and loan association or other similar savings institution, insurance company, investment fund or company or other financial institution which makes or acquires commercial loans in the ordinary course of its business, that it is participating hereunder as a Lender for such commercial purposes, and that it has the knowledge and experience to be and is capable of evaluating the merits and risks of being a Lender hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, its Affiliates and its Subsidiaries. Except for notices, reports and other documents expressly herein or in the other Loan Documents required to be furnished to the Lenders by the Administrative Agent, no Agent-Related Person shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower, its Subsidiaries or its other Affiliates that may come into the possession of any of the Agent-Related Persons.

Section 8.7. Indemnification of Agent-Related Persons. Whether or not the transactions contemplated hereby are consummated, each Lender agrees to indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of the applicable Borrower and without limiting the obligation of the Borrower to do so), pro rata, from and against any and all Indemnified Liabilities; provided that no Lender shall be liable for the payment to any such Person of any portion of the Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse each Agent-Related Person upon demand for its ratable share of any fees, costs or out-of-pocket expenses (including reasonable fees and disbursements of counsel (including internal counsel)) incurred by such Agent-Related Person in connection with the preparation, execution,

delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, any Loan Document or any document contemplated by or referred to therein to the extent that such Agent-Related Person is not reimbursed for such expenses by or on behalf of the Borrower pursuant to Section 10.3. The undertaking in this Section shall survive the payment of all Obligations hereunder, the cancellation of all of the Revolving Loan Commitments and, as to any Agent-Related Person, the resignation or replacement of such Agent-Related Person.

Section 8.8. The Agent-Related Persons in Their Individual Capacity. Each Agent-Related Person may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower (and its Subsidiaries and other Affiliates) as though the Administrative Agent did not act in such capacity under the Loan Documents, without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, the Agent-Related Persons may receive information regarding the Borrower (or its Subsidiaries and other Affiliates) (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that no Agent-Related Person shall be under any obligation to provide such information to any Lender. With respect to any Loan of which it is the Lender, the Administrative Agent (to the extent that it also is a Lender hereunder) shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not acting in such capacity.

Section 8.9. Successor Agents. The Administrative Agent may, and at the request of the Majority Lenders shall, resign as such agent upon 30 days' prior written notice to the Lenders. If the Administrative Agent resigns under this Agreement, the Majority Lenders shall (except during the existence of an Default or Event of Default or as otherwise provided herein, with the consent of the Borrower, which consent shall not be unreasonably withheld or delayed) promptly attempt to appoint from among the Lenders a successor Administrative Agent. If no such successor agent is appointed before the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consultation with the Lenders but without the consent of the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor Administrative Agent hereunder (i) such successor agent shall succeed to all the rights (including as to the same fees), powers and duties of the Administrative Agent, (ii) the term "Administrative Agent" shall mean such successor agent and (iii) the former Administrative Agent's appointment, powers and duties as the Administrative Agent shall be terminated without any other or further act or deed on the part of such former Administrative Agent under the Loan Documents. After the former Administrative Agent's resignation hereunder, this Article and Sections 2.12, 10.3, 10.5 and 10.13 shall inure to its benefit as to any actions taken or omitted to be

taken by it while it was the Administrative Agent under the Loan Documents. If no successor agent has accepted appointment as the Administrative Agent by the date that is 30 days after the Administrative Agent's notice of resignation, the Administrative Agent's resignation nevertheless thereupon shall become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Majority Lenders (without the consent of the Borrower) appoint a successor agent as provided for above. After any Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. In the event the Administrative Agent resigns pursuant to this Section 8.9, all fees paid to the resigning Administrative Agent but not yet accrued shall be transferred to the successor Administrative Agent.

ARTICLE IX

GUARANTY

Section 9.1. Guaranty of the Obligations. Subject to the provisions of Section 9.2, the Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to the Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations in accordance with the terms hereof or the other Loan Documents when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under any Bankruptcy Law) (collectively, the "Guaranteed Obligations"). In furtherance of the Guaranty assumed by the Guarantors, the Guarantors agree to execute as guarantors (*avalistas*) each of the Notes issued by the Borrower hereunder.

Section 9.2. Contribution by Guarantors. All Guarantors desire to allocate among themselves (collectively, the "Contributing Guarantors"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a "Funding Guarantor") under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. "Fair Share" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the

obligations Guaranteed. “Fair Share Contribution Amount” means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of any other Applicable Law; provided, solely for purposes of calculating the Fair Share Contribution Amount with respect to any Contributing Guarantor for purposes of this Section 9.2, that any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. “Aggregate Payments” means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (A) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 9.2), minus (B) the aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this Section 9.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 9.2 shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 9.2.

Section 9.3. Payment by Guarantors. Subject to Section 9.2, the Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Borrower to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under any Bankruptcy Law), Guarantors will upon demand pay, or cause to be paid in cash in immediately available funds, to the Administrative Agent for the ratable benefit of Lenders, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Borrower’s becoming the subject of a case under any Bankruptcy Law, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

Section 9.4. Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall

not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) the Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Borrower and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of the Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of the Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower or any of such other guarantors and whether or not the Borrower is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if the Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations, (ii) settle,

compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations, (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against the Borrower or any security for the Guaranteed Obligation and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of the Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations, (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Loan Documents or any agreement relating to such other guaranty or security, (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (iv) the application of payments received from any source (other than payments received pursuant to the other Loan Documents or

from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Lender might have elected to apply such payment to any part or all of the Guaranteed Obligations, (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of the Borrower or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations, (vi) any defenses, set-offs or counterclaims which the Borrower may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury and (vii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 9.5. Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Beneficiaries, to the fullest extent permitted by applicable law: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against the Borrower, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from the Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Beneficiary in favor of the Borrower or any other Person or (iv) pursue any other remedy in the power of any Beneficiary whatsoever, (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Borrower or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations, (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal, (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith, (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims and (iv) promptness, diligence and any requirement that any Lender protect, secure, perfect or insure any security interest or lien or any property subject thereto, (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or

inaction, including acceptance hereof, notices of default hereunder or any notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Borrower and notices of any of the matters referred to in Section 9.4 and any right to consent to any thereof, (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof and (h) any right, *beneficios de orden, excusión, división, quita, novación* and *espera* that might be available to it under Articles 2813, 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2840, 2844, 2845, 2846, 2847, 2848, 2849 and other related articles of the *Código Civil Federal* of Mexico and all other similar articles in the *Códigos Civiles* of the Federal District and the States of Mexico. Each Guarantor represents that it is familiar with the contents of the articles referred to in the preceding sentence and agrees that they need not be reproduced herein.

Section 9.6. Guarantors' Rights of Subrogation, Contribution, etc. Until the Guaranteed Obligations shall have been indefeasibly paid in full, and the Revolving Loan Commitments shall have terminated, each Guarantor hereby waives, to the fullest extent permitted by applicable law, any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Borrower or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against the Borrower and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations including, without limitations, any such right of contribution as contemplated by Section 9.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against the Borrower or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against the Borrower, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time

when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for the Administrative Agent on behalf of the Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of the Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

Section 9.7. Subordination of Other Obligations. Any Indebtedness of the Borrower or any Guarantor now or hereafter held by any Guarantor (the “Obligee Guarantor”) is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

Section 9.8. Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full and the Revolving Loan Commitments have terminated. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 9.9. Authority of Guarantors or the Borrower. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or the Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 9.10. Financial Condition of the Borrower. Any Borrowing may be made to the Borrower or continued from time to time without notice to or authorization from any Guarantor regardless of the financial or other condition of the Borrower at the time of any such grant or continuation. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor’s assessment, of the financial condition of the Borrower. Each Guarantor has adequate means to obtain information from the Borrower on a continuing basis concerning the financial condition of the Borrower and its ability to perform its obligations under the Loan Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrower and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of the Borrower now known or hereafter known by the Administrative Agent or any Lender.

Section 9.11. Bankruptcy, etc.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of the Administrative Agent acting pursuant to the instructions of Majority Lenders, commence or join with any other Person in commencing any Insolvency Proceeding against the Borrower or any other Guarantor. The obligations of the Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any Insolvency Proceeding of the Borrower or any other Guarantor or by any defense which the Borrower or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that, to the fullest extent permitted by applicable law, any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any Applicable Law or order which may relieve the Borrower of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay the Administrative Agent, or allow the claim of the Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 9.12. Discharge of Guaranty Upon Sale of Guarantor. If all of the Equity Interests, of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in

interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

ARTICLE X

MISCELLANEOUS

Section 10.1. Transfers of Funds. All payments and other transfers of funds under this Agreement and the other Loan Documents, except in respect of payments of principal and interest on the Peso Revolving Loans and other amounts payable in Pesos pursuant to Section 2.11(b), shall be made in immediately available funds, exclusively in Dollars, to accounts or payment offices maintained in New York, New York, unless, in the case of payments by or on behalf of a party other than the Borrower, otherwise specified herein or the recipient thereof shall otherwise agree. All payments and other transfers of funds under this Agreement and the other Loan Documents in respect of payments of principal and interest on Peso Revolving Loans and other amounts payable in Pesos pursuant to Section 2.11(b) shall be made in immediately available funds, exclusively in Pesos, to accounts or payment offices maintained in Mexico City, Mexico.

Section 10.2. Financial Data. Except as otherwise provided herein, financial data required hereby shall be prepared both as to classification of items and as to amount in accordance with Mexican GAAP applied in a consistent basis.

Section 10.3. Payment of Expenses, etc.

(a) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, upon demand to reimburse the Administrative Agent for the payment of all reasonable out-of-pocket costs and expenses arising in connection with the preparation, execution and delivery of this Agreement and any other documents relating to the transactions contemplated hereby, including (i) the reasonable fees, travel expenses, courier charges, communication expenses, expenses associated with the execution of the Loan Documents and all other out-of-pocket expenses and (ii) all reasonable fees and disbursements of counsel for the Administrative Agent.

(b) The Borrower further agrees, upon demand communicated through the Administrative Agent, to reimburse the Lenders and the Administrative Agent for the payment of all of their out-of-pocket costs and expenses incurred by any of them and arising in connection with any Default or Event of Default or the enforcement of, or the

amendment, modification, waiver and/or preservation of any rights under, this Agreement, the other Loan Documents or otherwise in connection with the transactions contemplated hereby, including all reasonable fees and disbursements of counsel of each Lender and the Administrative Agent, and all stamp taxes (including interest and penalties, if any), recording taxes and fees and filing taxes and fees which may be payable in respect thereof.

Section 10.4. Amendments and Waivers. No amendment, supplement, modification or waiver of any provision of any Loan Document, and no consent with respect to any departure by the Loan Parties, any of the Borrower's other Subsidiaries or any of its other Affiliates therefrom, shall be effective unless the same shall be in writing and adopted by the Majority Lenders, the Borrower and each Guarantor, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall, unless in writing and signed by each Lender that would be affected thereby, do any of the following:

- (a) increase or extend the Revolving Loan Commitment of any Lender,
- (b) postpone or delay any date fixed by any Loan Document for any payment of principal of or interest on the Revolving Loans or any fees or other amounts in connection therewith (or agree to any amendment or waiver of any Loan Document that would have the direct or indirect effect of so postponing or delaying such payment),
- (c) reduce the principal of or interest payable on any Loan,
- (d) reduce any fees or other amounts payable to any of the Lenders under any Loan Document,
- (e) release the Loan Parties from, or otherwise reduce, its payment obligations under, the Loan Documents, or release all or any part of the collateral pledged under the Pledge Agreements;
- (f) fund any Borrowings during the existence of a Default or Event of Default, or

(g) amend the definition of "Majority Lenders" contained in Section 1.1 or any provision of this Section 10.4 or Section 2.16 or any provision in any of the Loan Documents providing for consent or other action by all of the Lenders;

and provided further that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, in addition to the Majority Lenders or all Lenders, as the case may be, affect the rights or duties of the Administrative Agent, under any Loan Document, (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed solely by the parties thereto and (iii) any waiver, amendment or modification of any Loan Document that by its terms affects the rights or duties under this Agreement of the Dollar Lenders (but not the Peso Lenders) or the Peso Lenders (but not the Dollar Lenders) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite percentage in interest of the affected Lenders that would be required to consent thereto under this Section if such Lenders were the only Lenders hereunder at the time. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Majority Lenders and the Administrative Agent if (a) by the terms of such agreement the Revolving Loan Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (b) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Loan made by it and all other amounts owing to it or accrued for its account under this Agreement as if prepaid under Section 2.4(a), without regard to the minimum amounts set forth therein.

Section 10.5. Indemnification.

(a) Whether or not the transactions contemplated hereby are consummated, the Borrower agrees to indemnify and hold the Administrative Agent, each Lender, each of their respective Affiliates, officers, directors, employees, counsel, agents and attorneys-in-fact and each other Person Controlling any of the foregoing (each an "Indemnified Person") harmless from and against any and all losses, claims, damages, liabilities or other costs or expenses (including fees and disbursements of counsel (including internal counsel)) whatsoever that may at any time (including at any time after repayment of the Revolving Loans and the termination, resignation or replacement of the Administrative Agent or the replacement of any Lender) arise out of, relate to or result from any transaction, action, suit, investigation, litigation or proceeding (including any Insolvency Proceeding) connected with the transactions contemplated herein or in any of the other Loan Documents, whether or not any Indemnified Person is a party thereto (all of the foregoing, collectively, the "Indemnified Liabilities"), provided, that Taxes, Other

Taxes and Further Taxes shall not constitute Indemnified Liabilities and shall be governed exclusively by Section 2.12. Notwithstanding the above, the Borrower shall have no obligation under this paragraph to any Indemnified Person with respect to an Indemnified Liability caused by or resulting from the gross negligence or willful misconduct of such Indemnified Person.

(b) The Borrower shall not, without the prior written consent of the applicable Indemnified Person(s), effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of the proceedings.

(c) To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) The Borrower's obligations under this Section and Sections 2.12, 2.13, 2.14, 2.15, 10.3 and 10.13 shall survive the execution and delivery of the Loan Documents, the making and repayment of the Revolving Loans and the cancellation of all of the Revolving Loan Commitments.

Section 10.6. Notices.

(a) All notices, requests and other communications hereunder shall be in writing (including, unless the context expressly otherwise provides, by facsimile or electronic transmission; provided that any document transmitted by any party hereto by electronic transmission: (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 10.6 and (ii) shall be followed promptly by delivery of a hard copy original thereof) and couriered, faxed or delivered to the address, email address or facsimile number specified for notices on Schedule 10.6; or, if directed

to (A) the Borrower or the Administrative Agent to such other address as shall be designated by any such Person in a written notice to the other parties hereto and (B) any other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent.

(b) All such notices, requests and communications shall be effective (i) if transmitted by fax or electronic transmission, when transmitted in legible form by facsimile machine or e-mail upon confirmation of receipt and (ii) if sent by an internationally-recognized overnight courier service or otherwise delivered, with courier or delivery costs prepaid, upon receipt thereof by the recipient thereof.

(c) The Administrative Agent and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized in writing by the Borrower to give notices and the Administrative Agent and the Lenders shall not have any liability to the Borrower or any other Person on account of any action taken or not taken by the Administrative Agent and/or the Lenders in reliance upon such notice. The obligation of the Borrower under the Loan Documents shall not be affected in any way or to any extent by any failure by the Administrative Agent and/or the Lenders to receive written confirmation of any electronic or facsimile notice or the receipt by the Administrative Agent and/or the Lenders of a confirmation that is at variance with the terms reasonably understood by such Person(s) to be contained in the electronic or facsimile notice.

(d) Each Lender shall notify the Administrative Agent in writing of any change in (i) the address to which notices to such Person should be directed, (ii) addresses of any Lending Office, (iii) payment instructions in respect of all payments to be made to it hereunder and (iv) such other administrative information as the Administrative Agent reasonably requests.

Section 10.7. Table of Contents; Descriptive Headings; etc. The table of contents and descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 10.8. Survival of Agreements and Representations. All covenants, agreements, representations and warranties made herein, in the Notes, or in any certificate delivered pursuant hereto or thereto shall survive the execution and delivery hereof and the Revolving Loans made hereunder.

Section 10.9. Benefit of Agreement; Assignment.

(a) Benefit of Agreement. This Agreement shall be binding upon each of the Loan Parties, their respective successors and assigns, and shall inure to the benefit of the Administrative Agent and the Lenders and their respective successors and assigns permitted hereby except that (i) the Loan Parties may not transfer or assign any or all of its rights or obligations hereunder except with the unanimous consent of the Lenders (any attempted transfer or assignment without such consent shall be void) and (ii) no Lender may assign or otherwise transfer its rights and obligations hereunder except in accordance with this Section.

(b) Assignment. Any Lender may, with the prior written consent of the Borrower (which consent shall not be required during the existence of an Event of Default) and Administrative Agent, which consents shall not be unreasonably withheld or delayed, at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of the Borrower shall be required in connection with any assignment and delegation by a Lender to an Eligible Assignee that is a Lender or an Affiliate of a Lender) (each, an "Assignee") all or any portion of its Revolving Loans, its Revolving Loan Commitments and the other rights and obligations of such Lender hereunder, in a minimum amount of US\$2,500,000 (or Peso Equivalent) (or the entire amount of the Revolving Loans and the Revolving Loan Commitments of the assigning Lender, provided that no minimum amount shall be required in connection with an assignment and delegation by a Lender to an Eligible Assignee that is a Lender or an Affiliate of a Lender) unless the Borrower and the Administrative Agent otherwise consent; provided that the Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and its Assignee (which notice shall be substantially in the form of Schedule 1 to Exhibit I and shall have been consented to by the Borrower (except during the existence of an Event of Default) and the Administrative Agent), (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent a duly executed Assignment and Assumption substantially in the form of Exhibit I (an "Assignment and Assumption") together with the Note(s) subject to such assignment (to the extent necessary, which Note(s) the Borrower and the Administrative Agent shall cause to be exchanged for new Notes) and (iii) such Lender or its Assignee shall have paid to the Administrative Agent a processing fee relating to such assignment in the amount of US\$3,500.

(c) Assignee as Lender. From and after the date that the Administrative Agent notifies the assignor Lender that it has received and provided its consent, and

received (if such consent is applicable) the consent of the Borrower, with respect to an executed Assignment and Assumption (and has received payment of the processing fee referenced in clause (b)) (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, shall have the rights and obligations of a Lender under the Loan Documents, provided, that the Borrower shall be liable for Taxes, Other Taxes and Further Taxes to such Assignee in an amount no greater than the amount that the Borrower otherwise would have been so liable to the assignor Lender and (ii) the assignor Lender shall, to the extent that rights and obligations under the Loan Documents have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations under the Loan Documents; provided that the assignor Lender shall continue to have the rights of a Lender under Sections 2.12, 2.13, 2.14, 2.15, 10.3, 10.5 and 10.13 to the extent claims under such Sections arose prior to the relevant assignment.

(d) Pledge to Federal Reserve Bank. Notwithstanding any other provision in this Agreement, any Lender may at any time (without the consent of any other Person) create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and any Note held by it in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Board or U.S. Treasury Regulation 31 CFR § 203.14, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under Applicable Law.

(e) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Loan Commitments of, and principal amounts (and related interest amounts) of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(f) Participations. Any Lender may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrower (each, a "Participant") participating interests in its Revolving Loans, its Revolving Loan Commitment and the other interests of such Lender (the "originating Lender") under the Loan Documents; provided that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the

performance of such obligations, (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under the Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant (other than an Affiliate of the Lender) has rights to approve any amendment to, or any consent or waiver with respect to, any Loan Document, except to the extent such amendment, consent or waiver would require the consent of each Lender as described in the proviso to Section 10.4 and (v) the Borrower shall be liable for Taxes, Other Taxes and Further Taxes to such Participant in an amount no greater than the amount that the Borrower otherwise would have been so liable to the originating Lender. In the case of any such participation, the Participant also shall be entitled to the benefit of Sections 2.12, 2.14, 2.15, 10.3, 10.5 and 10.13 as though it were also a Lender hereunder to the same extent, without duplication, as the Lender that sold the participation to such Participant would be entitled thereto, and if amounts outstanding under the Loan Documents are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of a Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement.

(g) Costs. Except in connection with Section 2.18, any and all costs related to the assignment or participation of a Lender of all or any portion of its Revolving Loans, its Revolving Loan Commitments and the other rights and obligations of such Lender hereunder or under any Loan Document, its formalization and its making of record shall be borne exclusively by such Lender.

Section 10.10. Right of Set-off. Upon the occurrence and during the continuance of any Default or Event of Default, the Administrative Agent and the Lenders are hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived by the Borrower) and to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in any currency) at any time held and other indebtedness at any time owing by the Administrative Agent or the Lenders to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the other Loan Documents, irrespective of whether or not the Administrative Agent or the Lenders shall have made any demand hereunder and although such obligations may be unmatured. Each of the Lenders and the Administrative Agent agrees promptly to notify the Borrower no later than three Business Days after any such setoff and application; provided, however, that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.11. SUBMISSION TO JURISDICTION; VENUE; SERVICE; WAIVER OF JURY TRIAL.

(a) EACH OF THE PARTIES HERETO (i) AGREES THAT ANY CLAIM, SUIT, ACTION OR PROCEEDING BROUGHT BY ANY PARTY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, IN AND FOR THE COUNTY OF NEW YORK, OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND TO APPELLATE COURTS THEREFROM AND EACH OF THE PARTIES HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO SUCH JURISDICTION FOR SUCH PURPOSE AND (ii) TO THE FULLEST EXTENT PERMITTED BY LAW, (x) IRREVOCABLY WAIVES ANY OBJECTION IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT BROUGHT IN ANY SUCH COURT, (y) IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM; AND (z) IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH CLAIM, SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT. EACH PARTY HERETO AGREES THAT A JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE ENFORCED IN ANY OTHER JURISDICTION, INCLUDING MEXICO, BY SUIT UPON JUDGMENT, A CERTIFIED COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE JUDGMENT. Each party hereto further agrees that the courts referred to in the first sentence of this paragraph (a) shall have exclusive jurisdiction with respect to any claim or counterclaim based upon the assertion that the rate of interest charged by or under this Agreement or under the other Loan Documents is usurious.

(b) EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY, IN ANY LEGAL ACTION OR PROCEEDING OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IS

WAIVED BY OPERATION OF THIS SECTION AS TO ANY LEGAL ACTION, COUNTERCLAIM OR OTHER PROCEEDING THAT SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THE LOAN DOCUMENTS OR ANY PROVISION THEREOF. THE AGREEMENT OF THE BORROWER TO THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE LENDERS AND THE OTHER PARTIES HERETO TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(c) Each of the Loan Parties further agrees that service of process may be made personally or by mailing or delivering a copy of the summons and complaint or other legal process in any such legal action or proceeding to such Loan Party in care of the Process Agent and such agent is hereby authorized to accept, receive and acknowledge the same for and on behalf of such Loan Party and to admit service with respect thereto. Service upon the Process Agent shall be deemed to be personal service on the Loan Parties and shall be legal and binding upon the Loan Parties for all purposes notwithstanding any failure to mail copies of such legal process to the Borrower, or any failure on the part of the Loan Parties to receive the same. Nothing herein shall affect the right to serve process in any other manner permitted by Applicable Law or any right to bring legal action or proceedings in any other competent jurisdiction. The Loan Parties shall ensure that at all times until all of the Obligations have been paid in full and all of the Revolving Loan Commitments have terminated they shall have a process agent in New York City (whether the Process Agent or a replacement thereof satisfactory to the Administrative Agent).

(d) FOR THE PURPOSE OF PROCEEDINGS IN THE COURTS OF THE STATE OF NEW YORK, IN AND FOR THE COUNTY OF NEW YORK, AND THE UNITED STATES COURTS FOR THE SOUTHERN DISTRICT OF NEW YORK EACH OF THE LOAN PARTIES HEREBY IRREVOCABLY DESIGNATES AS OF THE EFFECTIVE DATE CT CORPORATION SYSTEM (THE "PROCESS AGENT") WITH OFFICES CURRENTLY LOCATED AT 111 EIGHTH AVENUE, NEW YORK, NEW YORK, 10011, UNITED STATES OF AMERICA, AS ITS AGENT FOR SERVICE OF PROCESS. IN THE EVENT THAT SUCH AGENT OR ANY SUCCESSOR SHALL CEASE TO BE LOCATED IN THE BOROUGH OF MANHATTAN, THE LOAN PARTIES SHALL PROMPTLY AND IRREVOCABLY BEFORE THE RELOCATION OF SUCH AGENT FOR SERVICE OF PROCESS, IF PRACTICABLE, OR PROMPTLY THEREAFTER DESIGNATE A SUCCESSOR AGENT, WHICH SUCCESSOR AGENT SHALL BE LOCATED IN THE BOROUGH OF MANHATTAN, AND NOTIFY THE ADMINISTRATIVE AGENT THEREOF, TO ACCEPT ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS OR OTHER DOCUMENTS WHICH MAY BE SERVED IN ANY ACTION OR PROCEEDING IN ANY OF SUCH COURTS AND FURTHER AGREES THAT SERVICE UPON SUCH AGENT SHALL CONSTITUTE VALID AND EFFECTIVE SERVICE UPON THE

BORROWER AND THAT FAILURE OF ANY SUCH AGENT TO GIVE ANY NOTICE OF SUCH SERVICE TO THE BORROWER SHALL NOT AFFECT THE VALIDITY OF SUCH SERVICE OR ANY JUDGMENT RENDERED IN ANY ACTION OR PROCEEDINGS BASED THEREON. EXCEPTING THE BORROWER, EACH OF THE PARTIES HERETO AGREE THAT SERVICE OF ANY AND ALL SUCH PROCESS OR OTHER DOCUMENTS ON SUCH PERSON MAY ALSO BE EFFECTED BY REGISTERED MAIL OR ITS ADDRESS AS SET FORTH IN SECTION 10.6. WITH RESPECT TO THE BORROWER, SERVICE OF ANY AND ALL SUCH PROCESS OR OTHER DOCUMENTS TO CT CORPORATION SYSTEM OR SUCH OTHER AGENT FOR SERVICE OF PROCESS DESIGNATED BY THE BORROWER IN ACCORDANCE WITH THIS AGREEMENT, SERVICE OF PROCESS SHALL CONSTITUTE VALID AND EFFECTIVE SERVICE ONLY IF MADE IN PERSON.

Section 10.12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 10.13. Judgment Currency. All payments made under this Agreement and the Notes shall be made in Dollars or Pesos as required by the terms hereof (the "Agreement Currency"), and, if for any reason any payment made hereunder is made in a currency (the "Other Currency") other than the Agreement Currency, then to the extent that the payment actually received by the Lenders or the Administrative Agent, when converted into the Agreement Currency at the Rate of Exchange (as defined below) on the date of payment (or, if conversion on such date is not practicable, as soon thereafter as it is practicable for the Lenders or the Administrative Agent to purchase the Agreement Currency) falls short of the amount due under the terms of this Agreement or any other Loan Document, the Borrower, shall, as a separate and independent obligation of the Borrower, indemnify the Lenders and the Administrative Agent and hold the Lenders and the Administrative Agent harmless against the amount of such shortfall. As used in this Section 10.13, the term "Rate of Exchange" means the rate at which the Administrative Agent is able on the relevant date to purchase the Agreement Currency with the Other Currency and shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into, the Agreement Currency.

Section 10.14. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

Section 10.15. Waiver of Immunities. To the extent that any of the Loan Parties has or hereafter may acquire any immunity from jurisdiction of any court of from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself and its property, the Borrower hereby irrevocably waives such immunity in respect of its Obligations and, without limiting the generality of the foregoing, agrees that the waivers set forth in this paragraph shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such act, or any act that replaces it. The foregoing waiver is intended to be effective to the fullest extent now or hereafter permitted by the applicable law of any jurisdiction in which any suit, action or proceeding with respect to any Loan Document may be commenced.

Section 10.16. Severability. To the fullest extent permitted by law, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable.

Section 10.17. Confidentiality.

(a) Each Lender and the Administrative Agent agrees to take and to cause its Affiliates to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information provided to it by the Borrower, any of its Subsidiaries or any of its other Affiliates, or by any Agent-Related Person on the Borrower's, such Affiliate's or such Subsidiary's behalf, in connection with the structuring of the Revolving Loans or pursuant to any Loan Document, and neither such Lender, the Administrative Agent, nor any of their respective Affiliates shall use any such information other than in connection with the Loan Documents or in connection with other business now or hereafter existing or contemplated with the Borrower, any of its Subsidiaries or any of its other Affiliates; except to the extent such information: (i) was or becomes generally available to the public other than as a result of disclosure by such Lender or the Administrative Agent, (ii) was or becomes available on a non-confidential basis from a source other than the Borrower, any of its Subsidiaries or any of its other Affiliates, (iii) was in such Lender's or the Administrative Agent's possession free of any obligation of confidence at the time of its receipt of such information, (iv) is developed by such Lender or the Administrative Agent independently of and without reference to any confidential information or (v) is identified by the Borrower, any of its Subsidiaries or any of its other Affiliates as no longer proprietary or confidential.

(b) Notwithstanding clause (a), the Administrative Agent, any Lender or any Affiliate thereof may disclose such information (i) at the request or pursuant to any requirement of any Governmental Authority to which the Administrative Agent, such Lender or such Affiliate is subject or in connection with an examination of such Person by any such Governmental Authority, (ii) pursuant to subpoena or other court process, (iii) when required to do so in accordance with any Applicable Law, (iv) to the extent reasonably required in connection with any litigation or proceeding to which such Person may be party, (v) to the extent reasonably required in connection with the exercise of any remedy under any Loan Document, (vi) to such Person's independent auditors and other professional advisors; provided that such Persons are subject to confidentiality agreements with respect thereto having the same scope as this Section 10.17, (vii) to any Participant or Assignee, actual or potential; provided that such Person agrees in writing to keep such information confidential to the same extent required of the Administrative Agent and the Lenders hereunder, (viii) as expressly permitted under any other document or agreement regarding confidentiality to which the Borrower, any of its Subsidiaries or any of its other Affiliates is party or is deemed party with the Administrative Agent, such Lender or such Affiliate and (ix) to its Affiliates (provided that each such Affiliate shall agree to be bound by the confidentiality provisions of this Section). To the extent permitted by Applicable Law and as otherwise reasonably possible, any Person intending to disclose any such information pursuant to clause (i), (ii), (iii) or (iv) shall provide the Borrower with reasonable prior notice thereof.

(c) The terms contained in the Fee Letter are confidential and, except for disclosure to the Borrower's board of directors, or respective officers, employees or professional advisors retained in connection with this transaction, or as may be required by Applicable Law, may not be disclosed in whole or in part to any other Person (including any Lender) without the prior written consent of each of the other parties thereto. To the extent permitted by Applicable Law and as otherwise reasonably possible, the Borrower shall provide each of the other parties to the Fee Letter with reasonable notice before disclosing any such terms pursuant to Applicable Law.

(d) The terms contained in the Loan Documents (other than the Fee Letter, which is addressed in paragraph (c)) and the related term sheet are confidential and, except for disclosure to the various parties thereto, their Affiliates and such Persons' board of directors, officers, employees or professional advisors retained in connection with this transaction, or as may be required by Applicable Law, may not be disclosed in whole or in part to any other Person without the prior written consent of the Administrative Agent. Notwithstanding the above, the Lenders may utilize the lending structure utilized herein in connection with loans provided to other borrowers.

(e) Notwithstanding anything above to the contrary, in no event shall the Administrative Agent or any Lender or Participant disclose any such confidential information to any of the Borrower's competitors, customers or suppliers of equipment, parts or raw materials.

(f) Notwithstanding anything herein to the contrary, the confidential information subject to paragraph (a) above shall not include, and the Administrative Agent and each Lender (and each of their respective employees, representatives and agents) may disclose to any and all persons, without limitation of any kind, any information with respect to the United States federal income tax treatment and United States federal income tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Administrative Agent or such Lender relating to such tax treatment and tax structure.

Section 10.18. No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the parties hereto, the other Agent-Related Persons, the Indemnified Persons and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement.

Section 10.19. No Waiver; Remedies. No failure on the part of the Administrative Agent or any of the Lenders to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 10.20. Prior Agreements Superseded. As of the Effective Date, this Agreement and the other Loan Documents shall completely and fully supersede all prior undertakings or agreements, both written and oral, between or among the Borrower, the Administrative Agent and/or the Lenders.

Section 10.21. USA PATRIOT ACT. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

Section 10.22. Use of Names and Marks. No use of the Administrative Agent's or any Lender's (or any of their respective Affiliates') name, trademarks, service marks or symbols may be made by the Borrower or any of its Affiliates in any advertisements or public announcements (including press releases) without such Person's prior written approval, except that the Borrower may use the Administrative Agent's or Lenders' name as required for disclosure of the terms hereof under Applicable Law, by any competent Governmental Authority or to the Borrower's auditors upon request. The Borrower shall not disclose or divulge (and shall prohibit any of its Subsidiaries and Affiliates from disclosing or divulging) any written opinions or advice rendered by the Administrative Agent, the Lenders or any of their respective Affiliates, agents or representatives in connection with the transaction contemplated hereby without the prior written consent of such Person; provided that the Borrower may make such disclosure to their respective Affiliates and counsel and, as required by Applicable Law, to Governmental Authorities. The Administrative Agent, the Lenders and their respective Affiliates may use the Borrower's name, trademarks or service marks for the purpose of tombstone advertising upon notification to the Borrower. Neither the Administrative Agent, the Lenders nor any of their respective Affiliates shall otherwise use the Borrower's or any of its Subsidiaries and Affiliates' name, trademarks, service marks or symbols in any advertisements or public announcements (including press releases) without the prior written consent of such Person.

Section 10.23. Use of English Language. All certificates, reports, notices, documents and other communications given or delivered pursuant to the Loan Documents shall be in the English language, except as required by Mexican law to be in the Spanish language (in which event, unless otherwise provided herein, English translations thereof certified by a court approved translator shall be provided, upon which all parties hereto shall have the right to rely for all purposes of the Loan Documents).

Section 10.24. No Partnership, etc.. The Lenders and the Borrower intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Agreement, the Notes or any other Loan Document shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between any Lender, on the one hand, and any other Lender, the Borrower or any other Person, on the other hand. The Lenders shall not in any way be responsible or liable for the debts, losses, obligations or duties of the Borrower or any other Person.

[The remainder of page left blank intentionally; Signature page to follow.]

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

**AVÍCOLA PILGRIM'S PRIDE DE MÉXICO,
S. de R.L. de C.V.**
a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

PILGRIM'S PRIDE CORPORATION,
a Delaware corporation

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

INCUBADORA HIDALGO, S. de R.L. de C.V.
a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

Credit Agreement

PILGRIM'S PRIDE, S. de R.L. de C.V.
a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

Credit Agreement

INMOBILIARIA AVÍCOLA PILGRIM'S PRIDE, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

SERVICIOS ADMINISTRATIVOS PILGRIM'S PRIDE, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

GRUPO PILGRIM'S PRIDE FUNDING HOLDINGS, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

Credit Agreement

COMERCIALIZADORA DE CARNES DE MÉXICO, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

GRUPO PILGRIM'S PRIDE FUNDING, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

OPERADORA DE PRODUCTOS AVÍCOLAS, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

Credit Agreement

CARNES Y PRODUCTOS AVICOLAS de MEXICO, S. de R.L. de C.V.

a Sociedad de Responsabilidad Limitada de Capital Variable

By: /s/ Richard A. Cogdill

Name Richard A. Cogdill

Title: Attorney-In-Fact

Credit Agreement

ING CAPITAL LLC,
as Administrative Agent and Sole Lead Arranger

By: /s/ Bill Redmond
Name William Redmond
Title: Managing Director

**ING BANK (MÉXICO), S.A. INSTITUCIÓN DE
BANCA MÚLTIPLE, ING GRUPO
FINANCIERO,** as Lender

By: /s/ Edgar Trueba
Name: Edgar Trueba
Title: Attorney-in-Fact

Credit Agreement

COMERICA BANK,
as Lender

By: /s/ Carlos A. Amaya

Name: Carlos A. Amaya

Title: Vice President

Credit Agreement

BANK OF AMERICA N.A.,
as Lender

By: /s/ Gustavo Muniz
Name: Gustavo Muniz
Title: Senior Vice-President

Credit Agreement

**BBVA BANCOMER, S.A., INSTITUCIÓN DE
BANCA MÚLTIPLE, GRUPO FINANCIERO
BBVA BANCOMER,**
as Lender

By: /s/ Eduardo Valencia Hitte

Name: Eduardo Valencia Hitte

Title: Director

Credit Agreement

Schedule 1.1(a)

Revolving Loan Commitment

Lender	Commitment in Dollars	Percentage of Commitment in Dollars	Commitment in Pesos	Percentage of Commitment in Pesos
ING BANK (MÉXICO), S.A. INSTITUCIÓN DE BANCA MÚLTIPLE, ING GRUPO FINANCIERO	\$ 0.00	0.00%	P\$382,294,500	70.00%
COMERICA BANK	\$10,000,000.00	40.00%	P\$ 0.00	0.00%
BANK OF AMERICA N.A	\$15,000,000.00	60.00%	P\$ 0,00	0.00%
BBVA BANCOMER, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER	\$ 0.00	0.00%	P\$163,840,500	30.00%

**2006 AMENDED AND RESTATED
CREDIT AGREEMENT
(CONVERTIBLE REVOLVING LOAN AND TERM LOAN)**

BY AND BETWEEN

**COBANK, ACB,
AS LEAD ARRANGER AND CO-SYNDICATION AGENT, AND SOLE BOOK RUNNER, AND AS
ADMINISTRATIVE, DOCUMENTATION AND COLLATERAL AGENT;**

**AGRILAND, FCS
AS CO-SYNDICATION AGENT, AND AS A SYNDICATION PARTY; AND THE OTHER
SYNDICATION PARTIES NAMED HEREIN**

AND

PILGRIM'S PRIDE CORPORATION, AS BORROWER

DATED AS OF SEPTEMBER 21, 2006

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**2006 AMENDED AND RESTATED
CREDIT AGREEMENT
(CONVERTIBLE REVOLVING LOAN AND TERM LOAN)**

Recitals

A. COBANK, ACB as the Administrative, Documentation, and Collateral Agent for the benefit of the present and future Syndication Parties, Lead Arranger and Book Manager, and as a Syndication Party, FARM CREDIT SERVICES OF AMERICA, FLCA, as Co-Arranger and as a Syndication Party, the Syndication Parties identified on Schedule 1 thereto, and PILGRIM'S PRIDE CORPORATION, a corporation formed under the laws of the State of Delaware, entered into that certain 2004 Amended and Restated Credit Agreement ("**2004 Credit Agreement**") dated as of April 7, 2004 ("**Original Effective Date**").

B. The parties to the 2004 Credit Agreement desire to make certain amendments to, but not to discharge any indebtedness or other obligations owing under, the 2004 Credit Agreement, as incorporated in this 2006 Amended and Restated Credit Agreement.

Agreement

THIS 2006 AMENDED AND RESTATED CREDIT AGREEMENT ("**Credit Agreement**") is entered into as of the 21st day of September 2006 ("**Effective Date**"), by and between COBANK, ACB ("**CoBank**") as the Administrative, Documentation, and Collateral Agent for the benefit of the present and future Syndication Parties (in its capacity as Administrative Agent and Collateral Agent, the "**Administrative Agent**"), Lead Arranger and Book Manager, AGRILAND, FCS, as Co-Syndication Agent ("**Agriland**") and as a Syndication Party, the Syndication Parties identified on Schedule 1 hereto, and PILGRIM'S PRIDE CORPORATION, a corporation formed under the laws of the State of Delaware, whose address is 4845 US Highway 271 N., Pittsburg, Texas 75686 ("**Borrower**"), and amends, restates, and replaces in its entirety the 2004 Credit Agreement effective as of the Effective Date.

ARTICLE 1. DEFINED TERMS

As used in this Credit Agreement, the following terms shall have the meanings set forth below (and such meaning shall be equally applicable to both the singular and plural form of the terms defined, as the context may require):

1.1 Administrative Agent Office: shall mean the address set forth at Subsection 15.4.2 hereof, as it may change from time to time by notice to all parties to this Credit Agreement.

1.2 Advance: means a collective reference to a Revolving Advance and a Term Advance, where the context requires.

1.3 Advance Date: a day (which shall be a Banking Day) on which an Advance is made.

1.4 Aggregate Commitment: shall be the sum of the Aggregate Revolving Commitment and the Aggregate Term Commitment at any time.

1.5 Aggregate Revolving Commitment: shall be the sum of the Individual Revolving Commitments shown on Schedule 1, as revised by the Administrative Agent from time to time as provided in Sections 2.8, 2.9, and 2.12 hereof.

1.6 Aggregate Term Commitment: shall be the sum of the Individual Term Commitments shown on Schedule 1, as revised by the Administrative Agent from time to time as provided in Sections 3.8 and 3.9 hereof.

1.7 Amendment Documents: this Credit Agreement, each amendment to a security agreement, each amendment to a deed of trust, the amendment to the Pilgrim Guaranty, and any other similar documents executed on or as of the Effective Date in connection with this Credit Agreement.

1.8 Applicable Lending Office: means, for each Syndication Party and for each type of Advance, the lending office of such Syndication Party designated as such for such type of Advance on its signature page hereof or in the applicable Syndication Acquisition Agreement or such other office of such Syndication Party as such Syndication Party may from time to time specify to the Administrative Agent and Borrower as the office by which its Advances of such type are to be made and maintained.

1.9 Appraisal: A written appraisal report by an ARA or MAI certified appraiser with a General Certification from the State in which the property being appraised is located, which report provides the appraiser's opinion as to the market value of the property being appraised on the basis of (a) comparable sales and (b) replacement cost and reflecting an appraisal done (i) no more than six (6) months prior to the date such Appraisal is delivered to the Administrative Agent, or, (ii) with respect to Appraisals provided in connection with Additional Property as provided in Section 10.18(b) hereof, done no more than six (6) months prior to the date such Appraisal is delivered to the Administrative Agent.

1.10 Appraised Value: the value of an asset included within the Collateral determined on the basis of the fair market value as set forth in the most recent Appraisal.

1.11 Availability Period: means a collective reference to the Revolving Loan Availability Period and the Term Loan Availability Period, where the context requires.

1.12 Available Amount: the lesser of (a) the Aggregate Commitment; and (b) the sum of (i) seventy-five percent (75%) of the Appraised Value (as shown on the latest Available Amount Report pursuant to the latest Appraisal as provided pursuant to the 2004 Credit Agreement or this Credit Agreement, whichever is later) of the

Collateral (other than the GK Collateral) in which the Syndication Parties have a perfected first priority lien, subject to Permitted Encumbrances, (without considering the lien which secures any Pari Passu Loan), plus (ii) (A) during the period from the Closing Date to, but not including, the Control Acquisition Date, the GK Pro Rata Share of 150% of the net book value of the GK Fixed Assets, (B) during the period on and after the Control Acquisition Date to, but not including, the GK Lien Date: (1) during any part of such period that the Loans are directly or indirectly secured by the Gold Kist Stock (and while the Gold Kist Stock constitutes "margin stock" as that term is defined in Federal Reserve Board Regulation U at 12 C.F.R. §221.2), then fifty percent (50.0%) of the market value (determined as provided in Federal Reserve Board Regulation U at 12 C.F.R. §221.7) of the Gold Kist Stock on which the Syndication Parties have a perfected first priority lien security interest, and (2) during any part of such period that the Loans are not secured, directly or indirectly, by any Gold Kist Stock (while the Gold Kist Stock constitutes "margin stock" as that term is defined in Federal Reserve Board Regulation U at 12 C.F.R. §221.2), then the GK Pro Rata Share of 150% of the net book value of the GK Fixed Assets, and (C) on and after the GK Lien Date, seventy-five percent (75%) of the Appraised Value (as shown on the latest Available Amount Report pursuant to the latest Appraisal as provided by Borrower to the Administrative Agent) of the GK Fixed Assets in which the Syndication Parties have a perfected first priority lien, subject to Permitted Encumbrances, (without considering the lien which secures any Pari Passu Loan) and as to which all of the requirements of Section 10.21 hereof have been satisfied, less (iii) the amount owing under all Pari Passu Loans.

1.13 Bank Debt: all amounts owing under or on account of the Notes, Funding Losses and all interest, fees, expenses, charges and other amounts payable by Borrower pursuant to the Loan Documents.

1.14 Banking Day: any day (a) other than a Saturday or Sunday and other than a day which is a Federal legal holiday or a legal holiday for banks in the States of Colorado or New York; and (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation of or conversion into, or a LIBO Rate Period for, a LIBO Rate Loan, or a notice by Borrower with respect to any such borrowing, payment, prepayment, continuation, conversion, or LIBO Rate Period, on which dealings in U.S. Dollar deposits are carried out in the London interbank market.

1.15 Base Rate: a rate of interest per annum equal to the "prime rate" as published from time to time in the Eastern Edition of the Wall Street Journal as the average prime lending rate for seventy-five percent (75%) of the United States' thirty (30) largest commercial banks, or if the Wall Street Journal shall cease publication or cease publishing the "prime rate" on a regular basis, such other regularly published average prime rate applicable to such commercial banks as is acceptable to the Administrative Agent in its reasonable discretion, with such rate modified by adding the Base Rate Margin.

1.16 Borrower's Account: means Borrower's account # 3788148 at Harris Trust and Savings Bank (ABA #071000288).

1.17 Borrower Benefit Plan: means (a) any funded "employee welfare benefit plan," as that term is defined in Section 3(1) of ERISA; (b) any "multiemployer plans," as defined in Section 3(37) of ERISA; (c) any "employee pension benefit plan" as defined in Section 3(2) of ERISA; (d) any "employee benefit plan", as such term is defined in Section 3(3) of ERISA; (e) any "multiple employer plan" within the meaning of Section 413 of the Code; (f) any "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA; (g) a "voluntary employees' beneficiary association" within the meaning of Section 501(c)(9) of the Code; (h) a "welfare benefit fund" within the meaning of Section 419 of the Code; or (i) any employee welfare benefit plan within the meaning of Section 3(1) of ERISA for the benefit of retired or former employees, which is maintained by the Borrower or in which Borrower participates or to which Borrower is obligated to contribute, but excluding any such plan, arrangement, association or fund that is maintained outside of the United States primarily for the benefit of persons substantially all of whom are nonresident aliens.

1.18 Borrowing Notice: means a Revolving Borrowing Notice and/or a Term Borrowing Notice, as the context requires.

1.19 Capital Lease: means any lease of property (whether real, personal or mixed) by a Person, the discounted present value of the rental obligations of such Person as lessee under such lease, in accordance with GAAP, is required to be capitalized on the balance sheet of such Person.

1.20 Capital Lease Obligation: the discounted present value of the rental obligation, under a Capital Lease.

1.21 Casualty Event: means a loss or taking caused by or resulting from a fire, earthquake, explosion, wind, rain, or condemnation, or substantially similar occurrence.

1.22 Casualty Proceeds: the amount received on account of a Casualty Event from insurance, condemnation award, judgment, or settlement.

1.23 Closing Date: that date on which the Administrative Agent, the Syndication Parties, and Borrower have executed all Loan Documents to which they are parties and on which the conditions set forth in Section 9.1 of this Credit Agreement have been met, which shall be no later than September 29, 2006.

1.24 Code: means the Internal Revenue Code of 1986, as amended from time to time.

1.25 Committed Revolving Advances: the principal amount of all Revolving Advances which any Syndication Party is obligated to make as a result of Borrower having presented a Revolving Borrowing Notice to the Administrative Agent as provided in Section 9.2 hereof, but which has not been funded.

1.26 Compliance Certificate: a certificate of the chief financial officer of Borrower in the form attached hereto as Exhibit 1.26 and otherwise reasonably acceptable to the Administrative Agent.

1.27 Consolidated Current Assets: the total current assets of Borrower and its Subsidiaries as measured in accordance with GAAP.

1.28 Consolidated Current Liabilities: the total current liabilities of Borrower and its Subsidiaries as measured in accordance with GAAP.

1.29 Consolidated Interest Expense: all interest expense of Borrower and its Consolidated Subsidiaries, as determined in accordance with GAAP.

1.30 Consolidated Net Income: the net income of Borrower and all its Consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP.

1.31 Consolidated Subsidiary: any Subsidiary whose accounts are consolidated with those of Borrower in accordance with GAAP.

1.32 Control Acquisition Date: means the date on which the amount of Gold Kist Stock that Borrower has acquired initially exceeds 50%.

1.33 Converted Loan(s): means the Voluntary Converted Loan and/or the Automatic Converted Loan, as the context requires.

1.34 Current Assets: the current amount of assets of a Person which in accordance with GAAP may be properly classified as current assets after deducting adequate reserves where proper.

1.35 Current Liabilities: all items (including taxes accrued as estimated) which in accordance with GAAP may be properly classified as current liabilities, and including in any event all amounts outstanding from time to time; provided that for the purposes of making the ratio calculations under Section 10.12 hereof, Current Liabilities shall not include (a) indebtedness of Borrower related to the Protein IRB Bonds to the extent proceeds remain held in trust and are not paid to Borrower pursuant to the terms of the bond documents pursuant to which the Protein IRB Bonds were issued, (b) indebtedness related to the Intercompany Bonds so long as Borrower or a Subsidiary of Borrower remains the holder of such Intercompany Bonds, and (c) any indebtedness so long as the trustee or agent in respect of such indebtedness holds cash and cash equivalents sufficient to repay the principal balance of such indebtedness, subject to the Administrative Agent's reasonable verification that such cash and cash equivalents are held by a trustee for the sole purpose of insuring such repayment.

1.36 Current Ratio: the ratio of Current Assets to Current Liabilities of Borrower and its Consolidated Subsidiaries.

1.37 Debt: means as to any Person, without duplication: (a) indebtedness, obligations, or liability of such Person for borrowed money (including by the issuance of debt securities), or for the deferred purchase price of property or services (excluding trade obligations); (b) the aggregate of the principal components of all Capital Leases and other agreements for the use, acquisition or retention of real or personal property which are required to be capitalized under GAAP; (c) to the extent drawn upon, obligations of such Person arising under bankers' or trade acceptance facilities, letters of credit, customer advances and other extensions of credit whether or not representing obligations for borrowed money; (d) all guarantees, endorsements and other contingent obligations of such Person with respect to indebtedness arising from money borrowed by others; (e) all obligations secured by a lien on property owned by such Person, whether or not such Person has assumed or become liable for such obligations; and (f) all obligations of such Person under any agreement providing for an interest rate swap, cap, cap and floor, contingent participation or other hedging mechanisms with respect to interest payable on any of the items described in this definition; provided that for the purposes of making the ratio calculations under Section 10.12 hereof, Debt shall not include (a) indebtedness of Borrower related to the Protein IRB Bonds to the extent proceeds remain held in trust and are not paid to Borrower pursuant to the terms of the bond documents pursuant to which the Protein IRB Bonds were issued, (b) indebtedness related to the Intercompany Bonds so long as Borrower or a Subsidiary of Borrower remains the holder of such Intercompany Bonds, and (c) any indebtedness so long as the trustee or agent in respect of such indebtedness holds cash and cash equivalents sufficient to repay the principal balance of such indebtedness, subject to the Administrative Agent's reasonable verification that such cash and cash equivalents are held by a trustee for the sole purpose of insuring such repayment.

1.38 Default Interest Rate: with respect to any Loan, a rate of interest equal to 200 basis points in excess of the interest rate which would otherwise be applicable on such Loan as of the date or dates of calculation.

1.39 Depreciation: the total depreciation of Borrower and its Consolidated Subsidiaries as measured in accordance with GAAP.

1.40 EBITDA: for any period, for Borrower and its Consolidated Subsidiaries, net income for such period, plus the sum of the amounts of (a) Interest Expense, plus (b) federal and state income taxes, plus (c) depreciation and amortization expenses, plus (d) extraordinary losses, minus (e) extraordinary gains, in each case as charged against (or added to, as the case may be) revenues to arrive at net income for such period, all as determined by GAAP.

1.41 Environmental Laws: any federal, state, or local law, statute, ordinance, rule, regulation, administration order, or permit now in effect or hereinafter enacted, pertaining to the public health, safety, industrial hygiene, or the environmental conditions on, under or about the Collateral, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. 9601-9657 ("**CERCLA**") and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901-6987 ("**RCRA**").

1.42 ERISA: the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

1.43 ERISA Affiliate: means any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as Borrower or is under common control (within the meaning of Section 414(c) of the Code) with Borrower, provided, however, that for purposes of provisions herein concerning minimum funding obligations (imposed under Section 412 of the Code or Section 302 of ERISA), the term "ERISA Affiliate" shall also include any entity required to be aggregated with Borrower under Section 414(m) or 414(o) of the Code.

1.44 Farm Credit System Institution: shall mean any Farm Credit Bank, any Federal land bank association, any production credit association, the banks for cooperatives, and such other institutions as may be a part of the Farm Credit System and chartered by and subject to regulation by the Farm Credit Administration.

1.45 Financial Projections: Financial projections of the operations of Borrower and its Subsidiaries as provided to the Administrative Agent on August 29, 2006.

1.46 Fiscal Quarter: each of the four (4) quarter accounting periods of thirteen (13) or fourteen (14) weeks of Borrower that together comprise a Fiscal Year.

1.47 Fiscal Year: the 52 or 53 week period (a) ending on the Saturday closest to September 30 in each calendar year, regardless of whether such Saturday occurs in September or October of any calendar year and (b) beginning on the day immediately following the end of the preceding Fiscal Year.

1.48 Fixed Charge Coverage Ratio: the ratio of (a) the sum of EBITDA and all amounts payable under all non-cancelable Operating Leases (determined on a consolidated basis in accordance with GAAP) for the period in question, to (b) the sum of (without duplication) (i) Interest Expense for such period, (ii) the sum of the scheduled current maturities (determined on a consolidated basis in accordance with GAAP) of Debt during the period in question, (iii) all amounts payable under non-cancelable Operating Leases (determined as aforesaid) during such period, and (iv) all amounts payable with respect to Capital Leases (determined on a consolidated basis in accordance with GAAP) for the period in question.

1.49 Fixed Rate Term Commitment: shall be the sum of the Individual Fixed Rate Term Commitments shown on Schedule 1, as revised by the Administrative Agent from time to time as provided in Sections 3.8, 3.9, and 3.10 hereof.

1.50 Floating Rate Term Commitment: shall be the sum of the Individual Floating Rate Term Commitments shown on Schedule 1, as revised by the Administrative Agent from time to time as provided in Sections 3.8 and 3.9 hereof.

1.51 Floating Rate Tranche Margin: means, subject to any revision pursuant to Subsection 4.9.3 hereof, (a) 175 basis points during any period that Borrower's Debt to

EBITDA ratio, as set forth in the most recent Compliance Certificate, is greater than 3.0x; (b) 150 basis points during any period that Borrower's Debt to EBITDA ratio, as set forth in the most recent Compliance Certificate, is equal to or less than 3.0x; and (c) notwithstanding the provisions of clauses (a) or (b), 175 basis points for the first twelve (12) months following the date of the initial Advance made for the purpose of acquiring any Gold Kist Stock. For the purposes of determining the Floating Rate Tranche Margin, Borrower's EBITDA shall be determined on a rolling four (4) Fiscal Quarter basis.

1.52 Foreign Subsidiary Debt. Debt of a non-U.S. Subsidiary of Borrower in an aggregate principal amount not to exceed seventy-five percent (75.0%) of such Subsidiary's working capital.

1.53 Funding Share: shall mean the amount of any Advance which each Syndication Party is required to fund, which shall be the amount of such Advance multiplied by such Syndication Party's Individual Revolving Pro Rata Share (if a Revolving Advance) or such Syndication Party's Individual Term Pro Rata Share (if a Term Advance), in each case as of, but without giving effect to, such Advance.

1.54 GAAP: generally accepted accounting principles in the United States of America, applied consistently, as in effect from time to time.

1.55 GK Collateral: shall mean the GK Fixed Assets (including such assets after their transfer to Borrower, by merger or otherwise) and all proceeds arising from the disposition thereof and including all insurance policies and proceeds therefrom, presently existing or acquired in the future.

1.56 GK Fixed Assets: (a) until the date, subsequent to the Control Acquisition Date, that Borrower provides to the Administrative Agent the schedule of consolidated fixed assets of Gold Kist pursuant to Section 10.20 hereof, means the consolidated fixed assets of Gold Kist as reflected on the quarter-end financials of Gold Kist that are publicly available for its fiscal quarter ending immediately preceding the Closing Date; and (b) on and after the GK Lien Date, means the consolidated fixed assets of Gold Kist as reflected on the schedule thereof which Borrower provides to the Administrative Agent pursuant to Section 10.20 hereof.

1.57 GK Lien Date: means the earlier of (a) nine (9) months following the Control Acquisition Date, or (b) six (6) months after the date on which Borrower has acquired 100% of the issued and outstanding Gold Kist Stock.

1.58 GK Pro Rata Share: means a fraction, expressed as a percentage, where (a) the numerator is the total number of shares of Gold Kist Stock owned by Borrower (which must be in excess of fifty percent (50.0%)), and (b) the denominator is the total number of issued and outstanding shares of Gold Kist Stock, on the date of measurement, and revised from time to time at the written request of Borrower accompanied by such proof as the Administrative Agent shall reasonably require, showing the amount of Gold Kist Stock that Borrower has acquired since the last

revision of the GK Pro Rata Share, provided that the amount of Gold Kist Stock so acquired is more than one percent (1.0%) of the issued and outstanding shares of Gold Kist Stock.

1.59 Gold Kist: means Gold Kist, Inc., a Delaware corporation.

1.60 Gold Kist Stock: means the issued and outstanding common stock of Gold Kist.

1.61 Good Faith Contest: means the contest of an item if (a) the item is diligently contested in good faith by appropriate proceedings timely instituted, (b) either the item is (i) bonded or (ii) adequate reserves are established with respect to the contested item if and to the extent reasonably satisfactory to the Required Lenders, and (c) during the period of such contest, the enforcement of any contested item is effectively stayed.

1.62 Governmental Authority: means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.63 Grower Settlement Agreements: means those certain promissory notes dated October 22, 1987 payable to the order of each of (a) Earl B. Lott, (b) Thomas David Mott, (c) Perry L. Stricklin, and (d) Irone Sumblin.

1.64 Hancock Loan: shall mean the loan to Borrower from John Hancock Mutual Life Insurance Company, ING Capital LLC and other lenders in the maximum principal amount of \$185,000,000.00 made pursuant to that certain Fourth Amended and Restated Note Purchase Agreement dated as of November 18, 2003, as it may be amended from time to time (provided that the principal amount owing does not exceed \$185,000,000.00) and the notes issued thereunder and providing a maturity date for said notes of December 15, 2013 or earlier.

1.65 Harris Loan: the loans, letters of credit and reimbursement obligations relating to letters of credit in the current principal amount of not more than \$175,239,727.00 to Borrower from Harris Bank, N.A. (individually and as Agent), and a group of lenders arranged by Harris Bank, N.A., and their respective successors and assigns, pursuant to that certain Third Amended and Restated Secured Credit Agreement dated as of April 7, 2004, as it may be amended from time to time (provided that the principal amount owing thereunder does not exceed \$375,239,727.00).

1.66 Hazardous Substances: dangerous, toxic or hazardous pollutants, contaminants, chemicals, wastes, materials or substances, as defined in or governed by the provisions of any Environmental Laws or any other federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto ("**Environmental Regulations**"), and also including urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, and petroleum products, or any other waste, material, substances, pollutant or contaminant which would subject an owner of property to any damages, penalties or liabilities under any applicable Environmental Regulations.

1.67 Individual Commitment: means the Individual Revolving Commitment and/or the Individual Term Commitment of any Syndication Party, as the context requires.

1.68 Individual Fixed Rate Term Commitment: shall mean with respect to any Syndication Party the amount shown as its Individual Fixed Rate Term Commitment on Schedule 1 hereto, subject to adjustment in the event of the sale of all or a portion of a Syndication Interest in accordance with Section 14.27 hereof, or a reduction in the Aggregate Term Commitment in accordance with Sections 3.8, 3.10, or 10.15 hereof and allocable to the Fixed Rate Tranche.

1.69 Individual Floating Rate Term Commitment: shall mean with respect to any Syndication Party the amount shown as its Individual Floating Rate Term Commitment on Schedule 1 hereto, subject to adjustment in the event of the sale of all or a portion of a Syndication Interest in accordance with Section 14.27 hereof, or a reduction in the Aggregate Term Commitment in accordance with Sections 3.8 or 10.15 hereof and allocable to the Floating Rate Tranche.

1.70 Individual Outstanding Obligations: means, when required by the context, a collective reference to Individual Revolving Outstanding Obligations and Individual Term Outstanding Obligations.

1.71 Individual Pro Rata Share: means with respect to any Syndication Party, (a) the sum of its Individual Revolving Commitment and its Individual Term Commitment, (b) divided by the Aggregate Commitment, in each case as of the time of determination.

1.72 Individual Revolving Commitment: shall mean with respect to any Syndication Party the amount shown as its Individual Revolving Commitment on Schedule 1 hereto, subject to adjustment in the event of the sale of all or a portion of a Syndication Interest in accordance with Section 14.27 hereof, or a reduction in the Aggregate Revolving Commitment in accordance with Sections 2.8, 2.9, or 10.15 hereof.

1.73 Individual Revolving Lending Capacity: shall mean with respect to any Syndication Party the amount at any time of its Individual Revolving Commitment, less its Individual Revolving Outstanding Obligations.

1.74 Individual Revolving Outstanding Obligations: shall mean with respect to any Syndication Party the total at any time, without duplication, of (a) the aggregate outstanding principal amount of all Revolving Advances made by such Syndication Party (after giving effect to the Reallocation); and (b) all of such Syndication Party's Committed Revolving Advances.

1.75 Individual Revolving Pro Rata Share: shall mean with respect to any Syndication Party a fraction, expressed as a percentage (rounded to 8 decimal points), where the numerator is such Syndication Party's Individual Revolving Commitment; and the denominator is the Aggregate Revolving Commitment, determined (a) in the case of LIBO Rate Loans, at 12:00 noon (Central time) on the Banking Day Borrower delivers a Borrowing Notice pursuant to which Borrower requests such LIBO Rate Loan, and (b) in all other cases, 12:00 noon (Central time) on the Banking Day Borrower delivers a Borrowing Notice.

1.76 Individual Term Commitment: shall mean with respect to any Syndication Party the sum of (a) its Individual Fixed Rate Term Commitment; and (b) its Individual Floating Rate Term Commitment.

1.77 Individual Term Lending Capacity: shall mean with respect to any Syndication Party the amount at any time of its Individual Term Commitment, less its Individual Term Outstanding Obligations.

1.78 Individual Term Outstanding Obligations: shall mean with respect to any Syndication Party the total at any time, without duplication, of (a) the aggregate outstanding principal amount of all Term Advances made by such Syndication Party; and (b) all of such Syndication Party's Committed Term Advances.

1.79 Individual Term Pro Rata Share: shall mean with respect to any Syndication Party a fraction, expressed as a percentage (rounded to 8 decimal points), (a) where the numerator is such Syndication Party's Individual Term Commitment; and the denominator is the Aggregate Term Commitment; or (b) if the determination is being made solely with respect to the Fixed Rate Tranche, then where the numerator is such Syndication Party's Individual Fixed Rate Term Commitment and the denominator is the Fixed Rate Term Commitment; or (c) if the determination is being made solely with respect to the Floating Rate Tranche, then where the numerator is such Syndication Party's Individual Floating Rate Term Commitment and the denominator is the Floating Rate Term Commitment, determined in each case (y) in the case of LIBO Rate Loans, at 12:00 noon (Central time) on the Banking Day Borrower delivers a Borrowing Notice pursuant to which Borrower requests such LIBO Rate Loan, and (z) in all other cases, 12:00 noon (Central time) on the Banking Day such determination is to be made.

1.80 ING Loan: that loan in the current principal amount of not more than \$75,000,000.00, pursuant to that certain Credit Agreement among Avicola Pilgrim's Pride de Mexico, S de RL de CV, and certain of its Subsidiaries, the Borrower, ING Capital LLC and the other lenders named therein, dated on or about September 25, 2006, as it may be amended from time to time, and including any loan to refinance the principal owing under such loan so long as the amount of such refinance loan does not exceed \$75,000,000.00 principal.

1.81 Intangible Asset: means, license agreements, trademarks, trade names, patents, capitalized research and development, proprietary products (the results of past research and development treated as long term assets and excluded from inventory) and goodwill (all determined on a consolidated basis in accordance with GAAP).

1.82 Intercompany Bond: means an Investment by Borrower or a Subsidiary in, and Debt of the Borrower or another Subsidiary incurred in connection with, bonds, notes, debentures or similar instruments issued by any federal, state or local government of the United States or any state, territory, municipality, regulatory or administrative authority or instrumentality or agency thereof in which such bonds, notes, debentures or instruments are fully secured as to payment of both principal and interest by a requisition, loan, lease or similar payment agreement with the Borrower or a Subsidiary.

1.83 Interest Expense: means all interest charges during such period, including all amortization of debt discount expense and imputed interest with respect to Capital Lease obligations, determined on a consolidated basis in accordance with GAAP.

1.84 Investment: means, with respect to any Person, (a) any loan or advance by such Person to any other Person, (b) the purchase or other acquisition by such Person of any capital stock, obligations or securities of, or any capital contribution to, or investment in, or the acquisition by such Person of all or substantially all of the assets of, or any interest in, any other Person, (c) any performance or standby letter of credit where (i) that Person has the reimbursement obligation to the issuer, and (ii) the proceeds of such letter of credit are to be used for the benefit of any other Person, (d) the agreement by such Person to make funds available for the benefit of another Person to either cover cost overruns incurred in connection with the construction of a project or facility, or to fund a debt service reserve account, (e) the agreement by such Person to assume, guarantee, endorse or otherwise be or become directly or contingently responsible or liable for the obligations or Debts of any other Person (other than by endorsement for collection in the ordinary course of business), (f) an agreement to purchase any obligations, stocks, assets, goods or services but excluding an agreement to purchase any assets, goods or services entered into in the ordinary course of business, (g) an agreement to supply or advance any funds, assets, goods or services entered into outside the ordinary course of business, or (h) an agreement to maintain or cause such Person to maintain a minimum working capital or net worth or otherwise to assure the creditors of any Person against loss.

1.85 Leverage Ratio: the ratio for Borrower and its Consolidated Subsidiaries of (a) the aggregate outstanding principal amount of all Debt; **less** unrestricted cash and cash equivalents, to (b) the sum of the aggregate outstanding principal amount of all Debt included in clause (a) above; **less** unrestricted cash and cash equivalents **plus** Net Worth.

1.86 LIBO Rate: means (a) the rate quoted by the British Bankers' Association at 11:00 A.M. London Time on the day which is two (2) Banking Days prior to the first day of each LIBO Rate Period for the offering of U.S. dollar deposits in the London interbank market for the LIBO Rate Period selected by Borrower as published by Bloomberg or another major information vendor listed on the British Banker's

Association's official website (rounded upward to the nearest thousandth); (b) divided by a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) applicable on such date to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D (or any successor category of liabilities under Regulation D); plus (c) the LIBOR Margin.

1.87 Lien: means with respect to any asset any mortgage, deed of trust, pledge, security interest, hypothecation, assignment for security purposes, encumbrance, lien (statutory or other), or other security agreement or charge, or encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale, Capital Lease or other title retention agreement related to such asset).

1.88 Loans: shall mean, collectively, all Revolving Loans (including all Converted Loans) and all Term Loans outstanding at any time.

1.89 Loan Documents: this Credit Agreement, the Amendment Documents, the Notes, the GK Security Documents, and the Security Documents.

1.90 Material Adverse Effect: means: (a) a material adverse effect on the financial condition, results of operation, business or property of Borrower and the Subsidiaries, considered in the aggregate; or (b) a material adverse effect on the ability of Borrower to perform its obligations under this Credit Agreement and the other Loan Documents.

1.91 Material Agreements: all agreements of a Person, the termination or breach of which, based upon the knowledge of such Person (or such other Person as may be specifically designated herein) as of the date of making any representation with respect thereto, would have a Material Adverse Effect.

1.92 Maturity Date: September 21, 2016.

1.93 Multiemployer Plan: means a Plan defined as such in Section 3(37) of ERISA.

1.94 Net Tangible Assets: the excess of the value of total assets (as determined in accordance with GAAP) over the value of Intangible Assets of the Borrower and its Consolidated Subsidiaries.

1.95 Net Working Capital: the excess for the Borrower and its Consolidated Subsidiaries of Current Assets over Current Liabilities.

1.96 Net Worth: the total assets (as determined in accordance with GAAP) minus the Total Liabilities of the Borrower and its Consolidated Subsidiaries, all determined on a consolidated basis as in accordance with GAAP.

1.97 Non-Recourse Debt: means Debt (a) as to which neither Borrower nor any of its Subsidiaries (other than Unrestricted Subsidiaries) (i) provides credit support of

any kind (including any undertaking, agreement or instrument that would constitute Debt), (ii) is directly or indirectly liable as a guarantor or otherwise or (iii) constitutes the lender, and (b) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Debt (other than the Senior Unsecured Notes or Senior Subordinated Notes) of Borrower or any of its Subsidiaries (other than Unrestricted Subsidiaries) to declare a default on such other Debt or cause the payment thereof to be accelerated or payable prior to its stated maturity.

1.98 Note or Notes: means, as the context requires (a) the Revolving Notes executed by Borrower pursuant to Section 2.2 hereof, and all amendments, renewals, substitutions and extensions thereof; and/or (b) the Term Notes executed by Borrower pursuant to Section 3.2 hereof, and all amendments, renewals, substitutions and extensions thereof.

1.99 Operating Lease: means any lease of property (whether real, personal or mixed) for a period of longer than one year by a Person under which such Person is lessee, other than a Capital Lease.

1.100 Organizational Documents: in the case of a corporation, its articles or certificate of incorporation and bylaws; in the case of a partnership, its partnership agreement and certificate of limited partnership, if applicable; in the case of a limited liability company, its articles of organization and its operating agreement, limited liability company agreement or regulations.

1.101 Pari Passu Loan: shall mean a loan which meets all of the following requirements: (a) the proceeds are all made available to Borrower; (b) it is secured by all or a portion of the Collateral equally and ratably with the Bank Debt on the same lien priority basis; (c) the lender thereunder has executed an intercreditor agreement with the Administrative Agent in form and substance substantially identical to Exhibit 1.101 hereto ("**Intercreditor Agreement**"); (d) Borrower has furnished to the Administrative Agent a pro-forma Available Amount Report with such updated Appraisals as the Administrative Agent may reasonably require at, or no more than ten (10) days prior to, the date the Administrative Agent is requested to execute such intercreditor agreement; provided that no updated Appraisals will be required so long as (i) the aggregate outstanding principal balance of all Pari Passu Loans (including the proposed Pari Passu Loan) incurred since the last Appraisal does not exceed \$25,000,000.00 and (ii) the Leverage Ratio is not greater than fifty five percent (55%); and (e) Borrower demonstrates to the Administrative Agent, in each case on a pro-forma basis (including, in each case, the proposed Pari Passu Loan), (i) that the aggregate outstanding principal amounts owing under all Notes will not exceed the Available Amount as determined pursuant to clause (b) of Section 1.12 hereof (without regard to clause (a) of such Section), and (ii) compliance with the financial covenants.

1.102 Permanent Reduction of Production: means the removal, shut down, or disassembly of a facility's processing equipment, or other action by Borrower which, in

any such case, has the effect of reducing the production capacity of such facility to a level that is less than seventy-five percent (75%) of the production capacity as shown in the Appraisal used to support the Appraised Value of such facility for the purposes of determining Borrower's Available Amount for a period of ninety (90) consecutive days unless (a) within such period Borrower provides to the Administrative Agent a written plan to bring the facility up to its former production capacity within twelve (12) months of Borrower taking such action resulting in a reduction of production capacity; and (b) the facility in fact resumes production at the former capacity within such twelve (12) month period.

1.103 Permitted Capital Raising Transaction: means any issuance, on or before the date which is eighteen (18) months after the Control Acquisition Date, of unsecured debt and/or equity securities (and including any unsecured loan or other transaction under which the debt instruments issued thereunder automatically convert to equity or any refinancings thereof, or any exchanges or conversions of such debt instruments into debt instruments on or before twelve (12) months of their issuance) for the purpose of raising capital for the Borrower and its Subsidiaries in an aggregate amount not in excess of \$650,000,000.00.

1.104 Permitted Unrestricted Subsidiary Debt: means any issuance of unsecured debt in a Permitted Capital Raising Transaction by an Unrestricted Subsidiary.

1.105 Person: any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, cooperative association, institution, or government or governmental agency (whether national, federal, state, provincial, county, city, municipal or otherwise, including without limitation, any instrumentality, division, agency, body or department thereof), or other entity.

1.106 Pilgrim Family: means (a) Lonnie A. "Bo" Pilgrim, his spouse, his issue, his estate and any trust, partnership or other entity primarily for the benefit of him, his spouse and/or issue or (b) Pilgrim Ltd.

1.107 Plan: means any plan, agreement, arrangement or commitment which is an employee benefit plan, as defined in Section 3(3) of ERISA, maintained by Borrower or any Subsidiary or any ERISA Affiliate or with respect to which Borrower or any Subsidiary or any ERISA Affiliate at any relevant time has any liability or obligation to contribute, but excluding any such plan, arrangement, association or fund that is maintained outside of the United States primarily for the benefit of persons substantially all of whom are nonresident aliens.

1.108 Potential Default: any event, other than an event described in Section 13.1(a) hereof, which with the giving of notice or lapse of time, or both, would become an Event of Default.

1.109 Prohibited Transaction: means any transaction prohibited under Section 406 of ERISA or Section 4975 of the Code.

1.110 Protein IRB Bonds: means the \$25,000,000 aggregate principal amount of the Issuer's Environmental Facilities Reserve Bonds (Pilgrim's Pride Corporation Project), Series 1999 issued by Camp County Industrial Development Corporation, a nonstock, nonprofit industrial development corporation existing under the laws of the State of Texas.

1.111 Receivables Securitization Program: shall mean any receivables securitization program to which Borrower or a Subsidiary is a party which provides for the sale by Borrower or such Subsidiary, without recourse, of their receivables for a cash consideration, and including in any event the receivables securitization program pursuant to which Borrower or such Subsidiary will sell to Pilgrim's Pride Funding Corporation all or substantially all of Borrower's receivables and Pilgrim's Pride Funding Corporation will in turn sell an undivided interest in all of such receivables to Fairway Finance Company, LLC, and its successors or assigns.

1.112 Reportable Event: means any of the events set forth in Section 4043(b) of ERISA or in the regulations thereunder.

1.113 Required Lenders: shall mean Syndication Parties whose Individual Commitments constitute fifty-one percent (51%) of the Aggregate Commitment. Pursuant to Section 14.26 hereof, Voting Participants shall, under the circumstances set forth therein, be entitled to voting rights and to be included in determining whether certain action is being taken by the Required Lenders.

1.114 Revolving Loan: shall mean the loan facility made available to Borrower under Article 2 of this Credit Agreement and shall include the Converted Loans.

1.115 Revolving Loan Availability Period: shall mean the period from the Closing Date until the Banking Day immediately prior to the fifth anniversary of the Closing Date.

1.116 Scheduled Payments: means payments of principal required under Section 5.1, 5.2, and/or 5.3 hereof, as the context requires.

1.117 Security Documents: the security agreements, mortgages, deeds of trust, leasehold mortgages or deeds of trust, financing statements, pledge agreements, leasehold assignment and consents, and/or other documents executed by Borrower in favor of the Administrative Agent, on behalf and for the benefit of the Syndication Parties, to secure Borrower's performance of its obligations under the Notes and other Loan Documents with a lien on the Collateral, all in form and substance acceptable to the Administrative Agent.

1.118 Senior Subordinated Notes: means (a) Borrower's existing 9 1/4% Senior Subordinated Notes due 2013 in an aggregate amount equal to \$100,000,000.00; and (b) additional notes with substantially the same terms as the 9 1/4% Senior Subordinated Notes due 2013 of Borrower that may be issued after the Effective Date in an aggregate amount not to exceed \$100,000,000.00.

1.119 Senior Unsecured Notes: means (a) Borrower's existing 9⁵/₈% Senior Unsecured Notes due 2011 in an aggregate amount equal to \$303,500,000.00 and (b) additional notes in an aggregate amount not to exceed \$100,000,000.00 with substantially the same terms as the 9⁵/₈% Senior Unsecured Notes due 2011 issued by Borrower that may, in either case (a) or (b), be issued after the Closing Date.

1.120 Subsidiary: means with respect to any Person: (a) any corporation in which such Person, directly or indirectly, (i) owns more than fifty percent (50%) of the outstanding stock thereof, or (ii) has the power under ordinary circumstances to elect at least a majority of the directors thereof (measured by voting power rather than number of shares), or (b) any partnership, association, joint venture, limited liability company, or other unincorporated organization or entity with respect to which such Person, directly or indirectly, (i) owns more than fifty percent (50%) of the outstanding equity interest thereof, or (ii) has the power under ordinary circumstances to directly or indirectly elect or appoint a majority of the directors or equivalent governing body thereof; provided however (c) the cooperative association known as Food Processors Water Cooperative, Inc. shall not be deemed to be a Subsidiary.

1.121 Successor Agent: such Person as may be appointed as successor to the rights and duties of the Administrative Agent as provided in Section 14.20 of this Credit Agreement.

1.122 Syndication Parties: shall mean those entities listed on Schedule 1 hereto, and such Persons as shall from time to time execute a Syndication Acquisition Agreement substantially in the form of Exhibit 14.25 hereto signifying their election to purchase all or a portion of the Syndication Interest of any Syndication Party, in accordance with Section 14.25 hereof, and to become a Syndication Party hereunder.

1.123 Tangible Net Worth: the Net Worth minus the amount of all Intangible Assets of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP.

1.124 Term Loan Allocation Ratio: means (a) for the Floating Rate Tranche means the ratio, expressed as a percentage, determined by dividing (i) the Floating Rate Term Commitment by (ii) the Aggregate Term Commitment; and (b) for the Fixed Rate Tranche means the ratio, expressed as a percentage, determined by dividing (i) the Fixed Rate Term Commitment by (ii) the Aggregate Term Commitment.

1.125 Term Fee Factor: means 12.5 basis points per annum.

1.126 Term Loan: shall mean the loan facility made available to Borrower under Article 3 of this Credit Agreement.

1.127 Term Loan Availability Period: shall mean the period from the Closing Date until the Banking Day immediately after the earlier of (a) the date on which Borrower has acquired 100% of the Gold Kist Stock; or (b) the six (6) month anniversary of the Closing Date.

1.128 3-Month LIBO Rate: means (a) the rate quoted by the British Bankers' Association at 11:00 A.M. London Time on the day which is two (2) Banking Days prior to the first day of each LIBO Rate Period for the offering of U.S. dollar deposits in the London interbank market for a LIBO Rate Period of three (3) months as published by Bloomberg or another major information vendor listed on the British Banker's Association's official website (rounded upward to the nearest thousandth); (b) divided by a percentage equal to 100% minus the stated maximum rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) applicable on such date to any member bank of the Federal Reserve System in respect of "Eurocurrency liabilities" as defined in Regulation D (or any successor category of liabilities under Regulation D).

1.129 Title Insurer: means any title insurance company issuing any of the Title Policies.

1.130 Title Policy: means the ALTA 1992 Loan title insurance policies (or, in the case of real property located in the State of Texas, the TLTA 1992 Loan title insurance policies) delivered by Borrower pursuant to the terms of this Credit Agreement and the title insurance policies delivered by Borrower pursuant to the terms of the 2004 Credit Agreement (and any predecessor) with respect to all real property of Borrower included in the Collateral in which Borrower has (a) a fee interest or (b) a leasehold interest calling for a rental payment equal to or in excess of \$100,000.00 per annum.

1.131 Total Liabilities: at any date, the aggregate amount of all liabilities of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis in accordance with GAAP; provided that for the purposes of making the ratio calculations under Section 10.12 hereof, Total Liabilities shall not include (a) indebtedness related to the Protein IRB Bonds to the extent proceeds remain held in trust and are not paid to Borrower pursuant to the terms of the bond documents pursuant to which the Protein IRB Bonds were issued, (b) indebtedness related to the Intercompany Bonds so long as Borrower or a Subsidiary of Borrower remains the holder of such Intercompany Bonds, and (c) any indebtedness so long as the trustee in respect of such indebtedness holds cash and cash equivalents sufficient to repay the principal balance of such indebtedness, subject to the Administrative Agent's reasonable verification that such cash and cash equivalents are held by a trustee for the sole purpose of insuring such repayment.

1.132 Treasury Rate: means, as of the date any determination thereof is to be made, a per annum rate equal to the arithmetic mean of the annual yields to maturity for United States Treasury securities having a term to maturity equal to the period from the date of such determination to the Maturity Date, as quoted in *The Wall Street Journal* published most recently prior to the second Banking Day preceding the date of determination. If no maturity exactly corresponding to such period shall appear therein, such yields for the two most closely corresponding published maturities shall be calculated

pursuant to the foregoing sentence and the Treasury Rate shall be interpolated from such yields on a straight-line basis (rounding, in the case of relevant periods, to the nearest month). If *The Wall Street Journal* no longer publishes such information, such annual yields shall be determined, by reference to the Federal Reserve Statistical Release H.15(519) or any successor publication (“**Release H.15**”) under the heading “Treasury Constant Maturities” or, for periods less than one year, “Treasury Bills - Secondary Market.” If Release H.15 is no longer published, such annual yields shall be determined, at Borrower’s expense, by an independent investment banking firm acceptable to Borrower and the Administrative Agent.

1.133 Unrestricted Subsidiary: means any Subsidiary of Borrower that is designated by the Board of Directors of Borrower as an “Unrestricted Subsidiary” pursuant to the indentures related to the Senior Unsecured Notes and the Senior Subordinated Notes, but only to the extent that such Subsidiary (a) has no Debt other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with Borrower or any other Subsidiary (other than an Unrestricted Subsidiary) of Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Borrower or such Subsidiary than those that might be obtained at the time from Persons who are not affiliates of Borrower; (c) is a Person with respect to which neither Borrower nor any of its Subsidiaries (other than Unrestricted Subsidiaries) has any direct or indirect obligation (i) to subscribe for additional equity interests of such Person or (ii) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Debt of Borrower or any of its Subsidiaries (other than Unrestricted Subsidiaries).

The following terms are defined in portions of this Credit Agreement other than Article 1:

Adoption Agreement	Section 2.12
Additional Costs	Section 15.12
Additional Property	Section 10.18
Administrative Agent	Introductory Agreement paragraph
Advance Payment	Section 14.1
Affected Loans	Section 9.6
AgriLand Bank Equity Interests	Section 6.1
Anti-Terrorism Laws	Subsection 8.26.1
Authorized Officer	Subsection 9.1.8
Automatic Conversion Amount	Section 2.11
Automatic Conversion Date	Section 2.11
Automatic Converted Loan	Section 2.11
Available Amount Report Deadline	Subsection 10.2.11
Available Amount Report	Subsection 10.2.11
Bank Equity Interests	Section 6.1
Balloon Payment	Subsection 5.1.2
Base Rate Loans	Subsection 4.1.1

Base Rate Margin	Subsection 4.9.1
Borrower	Introductory Agreement paragraph
Borrower Pension Plan	Subsection 8.10.2
Borrowing Notice	Section 9.2
CERCLA	Section 1.41
Change in Law	Subsection 4.2.2
CoBank	Introductory Agreement paragraph
COBRA	Subsection 8.10.12
Collateral	Section 7.1
Commitment Fee Factor	Subsection 4.9.1
Commitment Letter	Subsection 9.1.7
Contributing Syndication Parties	Section 14.3
Credit Agreement	Introductory Agreement paragraph
Delinquency Interest	Section 14.3
Delinquent Amount	Section 14.3
Delinquent Syndication Party	Section 14.3
Effective Date	Introductory Agreement paragraph
Embargoed Person	Section 10.16
Environmental Regulations	Section 1.66
Event of Default	Section 15.1
Event of Syndication Default	Subsection 14.28.1
Executive Order	Subsection 8.26.1
FCS Bank Equity Interests	Section 6.1
Fee Letter	Subsection 9.1.7
Fixed Rate Tranche	Subsection 3.3.1
Floating Rate Tranche	Subsection 3.3.2
Funding Losses	Section 5.10
Funding Loss Notice	Section 5.10
Funding Notice	Section 9.2
Funding Source	Sections 2.12 and 3.9
GK Collateral	Section 10.21
GK Security Documents	Subsection 10.21.1
Hancock	Section 3.10
Holdout Lender	Section 14.32
Indemnified Agency Parties	Section 14.17
Indemnified Parties	Section 12.1
Individual Fixed Rate Share	Subsection 3.1.2
Individual Floating Rate Share	Subsection 3.1.2
Intercreditor Agreement	Section 1.100
IRS	Subsection 8.10.2
LIBO Rate Loan	Subsection 4.1.2
LIBO Rate Period	Subsection 4.1.2
LIBO Request	Subsection 4.1.2
LIBOR Margin	Subsection 4.9.1
Licensing Laws	Section 8.4
Mandatory Prepayments	Section 5.6

Margin Report Deadline	Subsection 4.9.2
Margins	Subsection 4.9.1
Matched Maturity U.S. Treasury Rate	Section 5.11
Mortgage	Section 10.14
OFAC	Section 10.16
Original Effective Date	Recital A
Other Lists	Section 10.16
Payment Account	Section 14.8
Payment Distribution	Section 14.8
Permitted Encumbrances	Section 11.3
Pilgrim Ltd	Section 7.2
Pilgrim Guaranty	Section 7.2
Prepayment Fee	Section 5.11
Pricing Level	Subsection 4.9.1
Pro Rata Amount	Section 5.6
RCRA	Section 1.41
Reallocation	Section 14.31
Reduction	Section 14.31
Refinance Fee	Section 5.12
Regulatory Change	Subsection 15.12
Release H.15	Section 1.130
Replacement Lender	Section 14.32
Re-pricing Date	Subsection 9.1.3
Required Licenses	Section 8.9
Revised Floating Rate Tranche Margin	Subsection 9.1.3
Revised Pricing Date	Subsection 9.1.3
Revolving Advance	Section 2.1
Revolving Borrowing Notice	Subsection 9.2.1
Revolving Commitment Fee	Subsection 4.8.1
Revolving Commitment Increase	Section 2.12
Revolving Note(s)	Section 2.2
SDN List	Section 10.16
Shut Down	Section 10.15
Successor Agent	Section 14.20
Super Majority Lenders	Subsection 10.12.2
Syndication Acquisition Agreement	Section 14.25
Syndication Interest	Section 14.1
Syndication Party Advance Date	Section 14.2
Term Advance	Section 3.1
Term Borrowing Notice	Subsection 9.2.2
Term Commitment Fee	Subsection 4.8.2
Term Commitment Increase	Section 3.9
Term Note(s)	Section 3.2
Term Note – Fixed Rate Tranche	Section 3.2
Term Note – Floating Rate Tranche	Section 3.2
Transfer	Section 14.25

2004 Credit Agreement	Recital A
Update Certificate	Subsection 4.9.2
Voluntary Conversion Date	Section 2.10
Voluntary Converted Loan	Section 2.10
Voluntary Prepayments	Section 5.5
Voting Participant	Section 14.26
Voting Participant Notification	Section 14.26
Wire Instructions	Section 14.27

ARTICLE 2. REVOLVING LOAN

2.1 Revolving Loan. On the terms and conditions set forth in this Credit Agreement, and so long as no Event of Default or Potential Default has occurred and is continuing, Borrower may, during the Revolving Loan Availability Period, request an advance under the Revolving Loan (“**Revolving Advance**”), and each of the Syndication Parties severally agrees, to fund its Individual Pro Rata Share of each Revolving Advance from time to time during the Revolving Loan Availability Period, subject to the following:

2.1.1 Individual Syndication Party Commitment. No Syndication Party shall be required or permitted to fund Revolving Advances in an amount which would exceed its Individual Revolving Lending Capacity as in effect at the time of the Administrative Agent’s receipt of the Borrowing Notice requesting such Revolving Advance.

2.1.2 Individual Syndication Party Pro Rata Share. No Syndication Party shall be required or permitted to fund Revolving Advances in excess of an amount equal to its Individual Revolving Pro Rata Share multiplied by the amount of the requested Revolving Advance.

2.1.3 Aggregate Revolving Commitment; Available Amount. Borrower shall not be entitled to request a Revolving Advance in an amount which: (a) when added to the aggregate Individual Revolving Outstanding Obligations of all Syndication Parties, would exceed the Aggregate Revolving Commitment; or (b) when added to (i) the aggregate Individual Revolving Outstanding Obligations of all Syndication Parties, and (ii) the aggregate Individual Term Outstanding Obligations of all Syndication Parties, would exceed the Available Amount.

2.2 Promise to Pay; Revolving Promissory Notes. Borrower promises to pay to the order of each Syndication Party, at the office of the Administrative Agent at 5500 South Quebec Street, Greenwood Village, Colorado 80111, or such other place as the Administrative Agent shall direct in writing, an amount equal to (a) the outstanding amount of all Revolving Advances (including all Revolving Advances, if any, which have become included in a Converted Loan) made by, or allocated to (with respect to any Voluntary Converted Loan), such Syndication Party; plus (b) any Bank Debt owing hereunder to such Syndication Party; plus (c) interest as set forth herein, payable to such Syndication Party for the account of its Applicable Lending Office. All such

amounts are to be payable in the manner and at the time set forth in this Credit Agreement. At the request of any Syndication Party, made to the Administrative Agent which shall then provide notice to Borrower, Borrower, in order to further evidence its obligations to such Syndication Party as set forth above in this Section, agrees to execute its promissory note in substantially the form of Exhibit 2.2 hereto duly completed, in the stated maximum principal amount equal to such Syndication Party's Individual Revolving Commitment, dated the date of this Credit Agreement, payable to such Syndication Party for the account of its Applicable Lending Office, and maturing as to principal on the Maturity Date (each a "**Revolving Note**" and collectively, the "**Revolving Notes**").

2.3 Advances Under 2004 Credit Agreement. The aggregate principal amount owing on the Closing Date under the 2004 Credit Agreement on account of Advances (as such term is defined in the 2004 Credit Agreement) shall be treated as a Revolving Advance hereunder made on the Closing Date and each of the Syndication Parties severally agrees to fund its Individual Revolving Pro Rata Share of such Revolving Advance. Such Revolving Advance will be allocated as provided in Section 14.31 hereof and/or distributed as provided in Section 15.20 hereof, as applicable.

2.4 Syndication Party Records. Each Syndication Party shall record on its books and records the amount of each Revolving Advance, the rate and interest period applicable thereto, all payments of principal and interest, and the principal balance from time to time outstanding. The Syndication Party's record thereof shall be prima facie evidence as to all such amounts and shall be binding on Borrower absent manifest error. Notwithstanding the foregoing, Borrower will never be required to pay as principal more than the principal amount of the Revolving Loans funded by the Syndication Parties.

2.5 Use of Proceeds. The proceeds of the Revolving Loan will be used by Borrower: (a) to fund expansion of Borrower's production and processing facilities; (b) for future acquisitions (including acquisition of more than, but not equal to or less than, 50% of all issued and outstanding Gold Kist Stock); (c) as provided in Section 2.3 hereof; and (d) for general corporate purposes of Borrower, and Borrower agrees not to request or use such proceeds for any other purpose. In the event Borrower uses any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors, including for the purpose of acquiring Gold Kist Stock as described in clause (b) above, Borrower shall complete and provide to the Administrative Agent Federal Reserve Board forms U-1 and/or G-3, if requested to do so by the Administrative Agent or any Syndication Party.

2.6 Revolving Advances; Funding. Borrower may request, and the Syndication Parties shall fund, Revolving Advances in the manner and within the time deadlines as provided in Section 9.2 hereof.

2.7 Syndication Party Funding Failure. The failure of any Syndication Party to remit its Funding Share of any requested Revolving Advance on the date specified for such Revolving Advance shall not relieve any other Syndication Party of its

obligation (if any) to remit its Funding Share of any Revolving Advance on such date, but no Syndication Party shall be responsible for the failure of any other Syndication Party to remit its Funding Share of any Revolving Advance to be remitted by such other Syndication Party.

2.8 Voluntary Reduction of Aggregate Revolving Commitment. Borrower may, by written notice to the Administrative Agent on or before 10:00 A.M. (Central time) on any Banking Day, irrevocably reduce the Aggregate Revolving Commitment; provided that (a) such reduction must be in minimum amounts of \$25,000,000.00 and incremental multiples of \$5,000,000.00 (or, if Borrower elects to proceed under clause (y) of this Section, the amount of the Individual Revolving Commitment of such affected Syndication Party or Parties); and (b) Borrower must simultaneously make any principal payment necessary (along with any applicable Funding Losses on account of such principal payment) so that (i) the principal amount outstanding under the Revolving Loan does not exceed the reduced Aggregate Revolving Commitment on the date of such reduction, and (ii) the Individual Revolving Outstanding Obligations owing to any Syndication Party do not exceed the Individual Revolving Commitment of that Syndication Party (after reduction thereof in accordance with the following sentence). Upon the reduction of the Aggregate Revolving Commitment as provided in the preceding sentence, either (x) the Individual Revolving Commitment of each Syndication Party shall be reduced in the same proportion as the Individual Revolving Commitment of such Syndication Party bears to the Aggregate Revolving Commitment before such reduction; or (y) upon the delivery by Borrower to the Administrative Agent of a written election of Borrower, which election shall be irrevocable, to allocate the reduction of the Aggregate Revolving Commitment pursuant to this Section 2.8 to any one or more (but fewer than all) of the Syndication Parties, and upon written approval thereof by the Administrative Agent and the Required Lenders, the reduction of Aggregate Revolving Commitment shall be allocated to the Syndication Party or Parties so designated by Borrower provided that such reduction is sufficient to reduce the Individual Revolving Commitment of each such designated Syndication Party to zero. In the event Borrower elects to proceed as provided in clause (y) above (and such election is approved in writing by the Administrative Agent and the Required Lenders), then (i) Borrower agrees to pay to each such designated Syndication Party all principal, accrued interest, and Funding Losses owing to such Syndication Party as of the date of, and on account of, such payment, and (ii) each such designated Syndication Party agrees to reduce its Individual Revolving Commitment to zero upon receipt of such payment and to return its Revolving Note to the Administrative Agent. The Administrative Agent shall revise Schedule 1 as necessary to reflect any Individual Revolving Commitment change required by this Section.

2.9 Automatic Reduction of Aggregate Revolving Commitment. As of the Banking Day coinciding with or immediately succeeding the one year anniversary of the Closing Date, the Aggregate Revolving Commitment shall be automatically reduced to \$500,000,000.00, and Borrower shall either, (a) convert a portion of the Revolving Loan in accordance with Section 2.10 below, or (b) make such Mandatory Prepayment, if any, as may be required pursuant to Section 5.6(e) hereof on account of such reduction. The Administrative Agent shall revise Schedule 1 as necessary to reflect any Individual Revolving Commitment change required by this Section.

2.10 Voluntary Conversion of Revolving Loan. At any one time prior to the Banking Day coinciding with or immediately succeeding the one year anniversary of the Closing Date, Borrower may elect to convert up to \$295,000,000.00 of the outstanding balance owing under the Revolving Loan to a non-revolving term loan (“**Voluntary Converted Loan**”) which shall bear interest as provided in Article 4 hereof and be payable as provided in Article 5 hereof. Effective as of the Banking Day that Borrower elects to convert a portion of the outstanding balance owing under the Revolving Loan to a Voluntary Converted Loan (“**Voluntary Conversion Date**”), the Aggregate Revolving Commitment shall be automatically and irrevocably reduced by the amount of such Voluntary Converted Loan. Notwithstanding any other provision in this Agreement, the principal amount of the Voluntary Converted Loan shall be allocated among the Syndication Parties with Individual Revolving Commitments in accordance with Exhibit 2.10 hereto, and the respective Individual Revolving Commitment of each such Syndication Party shall be reduced in a like amount. The Voluntary Converted Loan shall not be deemed a Term Loan for any purposes.

2.11 Automatic Conversion of Revolving Loan. The outstanding balance of principal owing under the Revolving Loan as of the last day of the Revolving Loan Availability Period (“**Automatic Conversion Amount**”) will be automatically converted into a term loan (“**Automatic Converted Loan**”) as of such day (“**Automatic Conversion Date**”), which shall bear interest as provided in Article 4 hereof and be payable as provided in Article 5 hereof. The Automatic Converted Loan shall not be deemed a Term Loan for any purposes.

2.12 Increase of Aggregate Revolving Commitment. Borrower shall have the right to increase the Aggregate Revolving Commitment from time to time in an amount (each such increase a “**Revolving Commitment Increase**”) which would bring the Aggregate Revolving Commitment to a maximum of \$1,000,000,000.00; provided that each of the following conditions has been satisfied: (a) no Event of Default or Potential Default has occurred and is continuing; (b) Borrower has submitted to the Administrative Agent a written request for such Revolving Commitment Increase, specifying (i) the aggregate dollar amount thereof, which shall be a minimum of \$50,000,000.00 and in increments of \$10,000,000.00, (ii) the name of one or more financial institutions or Farm Credit System Institutions (which, in any case, may be an existing Syndication Party hereunder or an affiliate thereof) that has committed to provide funding of the Revolving Commitment Increase pursuant to the terms of, and as a Syndication Party under, this Agreement (each a “**Funding Source**”), and (iii) the amount of the Revolving Commitment Increase which each such Funding Source has committed to provide, which must be a minimum of \$10,000,000.00 and in increments of \$1,000,000.00; (c) each Funding Source has, unless it is at such time a Syndication Party hereunder, executed an agreement in the form of Exhibit 2.12 hereto (“**Adoption Agreement**”); (d) the Administrative Agent has approved each Funding Source as a Syndication Party hereunder (unless such Funding Source is already a Syndication Party or an affiliate thereof), which approval shall not be unreasonably withheld; (e) each

Funding Source has remitted to the Administrative Agent, by wire transfer in accordance with the Wire Instructions, the amount directed by the Administrative Agent so that such Funding Source will have funded its share (based on such Funding Source's Individual Revolving Pro Rata Share as recalculated as provided in clause (w) below in this Section) of all outstanding Revolving Advances, to the extent not previously funded by such Funding Source; and (f) Borrower has, if requested by such Funding Source(s), executed such additional Revolving Note payable to such Funding Source(s) and in such amounts, as the Administrative Agent shall require to reflect the Revolving Commitment Increase. Upon the satisfaction of each of the foregoing conditions, (v) the Aggregate Revolving Commitment shall be automatically increased by the amount of the Revolving Commitment Increase; (w) the Individual Revolving Pro Rata Share of each of the Syndication Parties, including the Funding Source, shall be recalculated by the Administrative Agent to reflect the amount of the Revolving Commitment Increase which each such Funding Source has committed to provide, and the amount of the Revolving Commitment Increase; (x) the Funding Source(s) shall be allocated a share of all existing Revolving Advances and any such amounts remitted pursuant to clause (e) above shall be allocated among, and paid over to, those Persons who were Syndication Parties prior to the Revolving Commitment Increase, based on their Individual Revolving Pro Rata Shares as they existed prior to the Revolving Commitment Increase, to reflect a reduction in their share of outstanding Revolving Advances; (y) to the extent that any Syndication Party is entitled to recover Funding Losses on account of having been allocated any portion of the amounts remitted pursuant to clause (e) above, Borrower shall pay to the Administrative Agent the amount of such Funding Losses which the Administrative Agent shall then forward to such Syndication Party; and (z) the Administrative Agent shall revise Schedule 1 to reflect the Revolving Commitment Increase. Provided however, that except to the extent expressly requested by Borrower to be effected sooner, any such allocation or reallocation that would require or result in the payment by the Borrower of any Funding Losses to any Syndication Party shall be postponed to the extent required to avoid payment by Borrower of such Funding Losses, including by the postponement of funding additional Advances.

ARTICLE 3. TERM LOAN

3.1 Term Loan. On the terms and conditions set forth in this Credit Agreement, and so long as no Event of Default or Potential Default has occurred and is continuing, Borrower may request an Advance under the Term Loan ("**Term Advance**"), on any Banking Day during the Term Loan Availability Period ("**Term Loan Advance Date**"), and each of the Syndication Parties severally agrees, to fund its Individual Term Pro Rata Share of such Term Advance, subject to the following:

3.1.1 Individual Syndication Party Term Lending Capacity. No Syndication Party shall be required or permitted to fund a Term Advance in an amount which would exceed its Individual Term Commitment as in effect at the time of the Administrative Agent's receipt of the Term Borrowing Notice requesting such Term Advance.

3.1.2 Individual Syndication Party Share. No Syndication Party shall be required or permitted to fund a Term Advance (a) under the Floating Rate Tranche in excess of an amount equal to its Individual Floating Rate Term Commitment (“**Individual Floating Rate Share**”); or (b) under the Fixed Rate Tranche in excess of an amount equal to its Individual Fixed Rate Term Commitment (“**Individual Fixed Rate Share**”).

3.1.3 Aggregate Term Commitment; Individual Tranche Amounts; Available Amount. Borrower shall not be entitled to request a Term Advance in an amount which: (a) when added to the aggregate Individual Term Outstanding Obligations of all Syndication Parties, would exceed the Aggregate Term Commitment; or; (b) (i) to the extent to be allocated to the Floating Rate Tranche, would exceed the Floating Rate Term Commitment, less the amount of all previous Term Advances allocated to the Floating Rate Tranche, or (ii) to the extent to be allocated to the Fixed Rate Tranche, would exceed the Fixed Rate Term Commitment, less the amount of all previous Term Advances allocated to the Fixed Rate Tranche; or (c) when added to the aggregate Individual Revolving Outstanding Obligations of all Syndication Parties and the aggregate Individual Term Outstanding Obligations of all Syndication Parties, would exceed the Available Amount.

3.1.4 Voluntary Converted Loan. Borrower shall not be entitled to request a Term Advance unless and until Borrower has made its election to convert \$295,000,000.00 of the outstanding principal owing under the Revolving Loan to the Voluntary Converted Loan.

3.2 Promise to Pay; Term Loan Promissory Notes. Borrower promises to pay to the order of each Syndication Party, at the office of the Administrative Agent at 5500 South Quebec Street, Greenwood Village, Colorado 80111, or such other place as the Administrative Agent shall direct in writing, an amount equal to (a) the outstanding amount of all Term Advances made by such Syndication Party; plus (b) any Bank Debt owing hereunder to such Syndication Party; plus (c) interest as set forth herein, payable to such Syndication Party for the account of its Applicable Lending Office. All such amounts are to be payable in the manner and at the time set forth in this Credit Agreement. At the request of any Syndication Party, made to the Administrative Agent which shall then provide notice to Borrower, Borrower, in order to further evidence its obligations to such Syndication Party as set forth above in this Section, agrees to execute its promissory note in substantially the form, as applicable, of Exhibit 3.2A (each a “**Term Note - Fixed Rate Tranche**”) hereto, with respect to the Fixed Rate Tranche, and/or in substantially the form of Exhibit 3.2B (each a “**Term Note - Floating Rate Tranche**”) hereto, with respect to the Floating Rate Tranche, in each case duly completed, in the stated maximum principal amount equal to such Syndication Party’s Individual Fixed Rate Term Commitment or Individual Floating Rate Term Commitment, as applicable, dated the date of this Credit Agreement, payable to such Syndication Party for the account of its Applicable Lending Office, and maturing as to principal on the Maturity Date (the Term Notes – Fixed Rate Tranche and/or the Term Notes Floating Rate Tranche, as the context requires, are sometimes collectively referred to as the “**Term Notes**”).

3.3 Fixed Rate Tranche and Floating Rate Tranche. Each Term Advance shall be divided between two tranches as follows:

3.3.1 Fixed Rate Tranche. A portion of such Term Advance determined by multiplying the amount of the Term Advance by the Term Loan Allocation Ratio applicable to the Fixed Rate Tranche, shall be identified as the “**Fixed Rate Tranche**” and shall bear interest as provided in Subsection 4.4.1 and shall be payable as provided in Section 5.3 hereof.

3.3.2 Floating Rate Tranche. A portion of such Term Advance determined by multiplying the amount of the Term Advance by the Term Loan Allocation Ratio applicable to the Floating Rate Tranche, shall be identified as the “**Floating Rate Tranche**” and shall bear interest as provided in Subsection 4.4.2 and shall be payable as provided in Section 5.3 hereof.

3.4 Syndication Party Records. Each Syndication Party shall record on its books and records the amount of its Term Advance, the rate and interest period applicable thereto, all payments of principal and interest, and the principal balance from time to time outstanding. The Syndication Party’s record thereof shall be prima facie evidence as to all such amounts and shall be binding on Borrower absent manifest error. Notwithstanding the foregoing, Borrower will never be required to pay as principal more than the principal amount of the Term Loan funded by the Syndication Parties.

3.5 Use of Proceeds. The proceeds of the Term Loan will be used by Borrower: (a) to fund expansion of Borrower’s production and processing facilities; (b) for future acquisitions (including acquisition of more than, but not equal to or less than, 50% of all issued and outstanding Gold Kist Stock); and (c) for general corporate purposes of Borrower, and Borrower agrees not to request or use such proceeds for any other purpose. In the event Borrower uses any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors, including for the purpose of acquiring Gold Kist Stock as described in clause (b) above, Borrower shall complete and provide to the Administrative Agent, Federal Reserve Board forms U-I and/or G-3, if requested to do so by the Administrative Agent or any Syndication Party.

3.6 Term Advances; Funding. Borrower may request, and the Syndication Parties shall fund (a) their applicable Individual Fixed Rate Share of the portion of each Term Advance allocable to the Fixed Rate Tranche; and (b) their applicable Individual Floating Rate Share of the portion of each Term Advance allocable to the Floating Rate Tranche, in each case, in the manner and within the time deadlines as provided in Section 9.2 hereof.

3.7 Syndication Party Funding Failure. The failure of any Syndication Party to remit its applicable share of a requested Term Advance on the Term Loan Advance Date shall not relieve any other Syndication Party of its obligation (if any) to remit its applicable share of such Term Advance on such date, but no Syndication Party shall be responsible for the failure of any other Syndication Party to remit its applicable share of a Term Advance to be funded by such other Syndication Party.

3.8 Reduction of Aggregate Term Commitment. Borrower may, by written facsimile notice to the Administrative Agent on or before 10:00 A.M. (Central time) on any Banking Day, irrevocably reduce the Aggregate Term Commitment; in the same manner and subject to the same conditions as set forth in Section 2.8 hereof with respect to reduction of the Aggregate Revolving Commitment. Any such reduction shall reduce the Aggregate Commitment and shall be applied pro-rata between the Floating Rate Tranche and the Fixed Rate Tranche in accordance with the Term Loan Allocation Ratio. The Administrative Agent shall revise Schedule 1 as necessary to reflect any change required by this Section in any Individual Term Commitment, any Individual Floating Rate Term Commitment, or any Individual Fixed Rate Term Commitment.

3.9 Increase of Aggregate Term Commitment. Borrower shall have the right to increase the Aggregate Term Commitment from time to time in an amount (each such increase a “**Term Commitment Increase**”) which would bring the Aggregate Term Commitment to a maximum of \$750,000,000.00; provided that each of the following conditions has been satisfied: (a) no Event of Default or Potential Default has occurred and is continuing; (b) Borrower has submitted to the Administrative Agent a written request for such Term Commitment Increase, specifying (i) the aggregate dollar amount thereof, which shall be a minimum of \$50,000,000.00 and in increments of \$10,000,000.00, (ii) the name of one or more financial institutions or Farm Credit System Institutions (which, in any case, may be an existing Syndication Party hereunder or an affiliate thereof) that has committed to provide funding of the Term Commitment Increase pursuant to the terms of, and as a Syndication Party under, this Agreement (each a “**Funding Source**”), and (iii) the amount of the Term Commitment Increase which each such Funding Source has committed to provide, which must be a minimum of \$10,000,000.00 and in increments of \$1,000,000.00 and the allocation thereof between the Floating Rate Tranche and the Fixed Rate Tranche; (c) each Funding Source has, unless it is at such time a Syndication Party hereunder, executed an Adoption Agreement; (d) the Administrative Agent has approved each Funding Source as a Syndication Party hereunder (unless such Funding Source is already a Syndication Party or an affiliate thereof), which approval shall not be unreasonably withheld; (e) each Funding Source has remitted to the Administrative Agent, by wire transfer in accordance with the Wire Instructions, the amount directed by the Administrative Agent so that such Funding Source will have funded its share (based on such Funding Source’s Individual Term Pro Rata Share as recalculated as provided in clause (w) below in this Section) of all outstanding Term Advances under the Floating Rate Tranche and/or the Fixed Rate Tranche, as applicable, to the extent not previously funded by such Funding Source; and (f) Borrower has, if requested by such Funding Source(s), executed such additional Term Note - - Floating Rate Tranche and/or Term Note - Fixed Rate Tranche payable to such Funding Source(s) and in such amounts, as the Administrative Agent shall require to reflect the Term Commitment Increase as allocated between the Floating Rate Term Commitment and the Fixed Rate Term Commitment. Upon the satisfaction of each of the foregoing conditions, (v) (i) the Aggregate Term

Commitment shall be automatically increased by the amount of the Term Commitment Increase, (ii) the Floating Rate Term Commitment shall be automatically increased by the amount of the Term Commitment Increase allocated to the Floating Rate Tranche, and (iii) the Fixed Rate Term Commitment shall be automatically increased by the amount of the Term Commitment Increase allocated to the Fixed Rate Tranche; (w) the Individual Term Pro Rata Share of each of the Syndication Parties, including the Funding Source, shall be recalculated by the Administrative Agent to reflect the amount of the Term Commitment Increase which each such Funding Source has committed to provide, and the amount of the Term Commitment Increase, in each case allocated between the Floating Rate Term Commitment and the Fixed Rate Term Commitment as applicable; (x) the Funding Source(s) shall be allocated a share of all existing Term Advances and any such amounts remitted pursuant to clause (e) above shall be allocated among, and paid over to, those Persons who were Syndication Parties prior to the Term Commitment Increase, based on their Individual Term Pro Rata Shares (allocated between the Floating Rate Tranche and the Fixed Rate Tranche as applicable) as they existed prior to the Term Commitment Increase, to reflect a reduction in their share of outstanding Term Advances; (y) to the extent that any Syndication Party is entitled to recover Funding Losses on account of having been allocated any portion of the amounts remitted pursuant to clause (e) above, Borrower shall pay to the Administrative Agent the amount of such Funding Losses which the Administrative Agent shall then forward to such Syndication Party; and (z) the Administrative Agent shall revise Schedule 1 to reflect the Term Commitment Increase, and its allocation between the Floating Rate Term Commitment and the Fixed Rate Term Commitment. Provided however, that except to the extent expressly requested by Borrower to be effected sooner, any such allocation or reallocation that would require or result in the payment by the Borrower of any Funding Losses or Prepayment Fees to any Syndication Party shall be postponed to the extent required to avoid payment by Borrower of such Funding Losses or Prepayment Fees, including by the postponement of funding additional Advances.

3.10 Condition to Funding Obligation. Notwithstanding any provision to the contrary herein, including, without limitation, Sections 3.1 and 3.7, (a) John Hancock Life Insurance Company (“**Hancock**”) shall have no obligation to fund its Individual Term Pro Rata Share of any Term Advance unless prior to, or simultaneously with, such Term Advance, the Hancock Loan is paid in full; and (b) in the event that Hancock declines to fund its Individual Term Pro Rata Share of the initial Term Advance for the reason set forth in clause (a) of this Section, (i) the Fixed Rate Term Commitment shall be automatically reduced by the amount of Hancock’s Individual Fixed Rate Term Commitment (including for the purposes of Subsection 3.1.3 hereof), (ii) Hancock’s Individual Fixed Rate Term Commitment shall be automatically reduced to zero, and (iii) the Individual Term Pro Rata Shares of the other Syndication Parties shall be recalculated by the Administrative Agent (A) based on such reduced Fixed Rate Term Commitment and (B) without consideration of Hancock’s Individual Fixed Rate Term Commitment.

ARTICLE 4. INTEREST AND FEES

4.1 Interest on Revolving Loan. Interest on all Revolving Loans (and prior to their conversion to a Voluntary Converted Loan or an Automatic Converted Loan), shall be calculated as follows:

4.1.1 Base Rate Option. Unless Borrower requests and receives a LIBO Rate Loan pursuant to Subsection 4.1.2 hereof, the outstanding principal balance under the Revolving Notes shall bear interest at the Base Rate (each a “**Base Rate Loan**”). Each request for a Revolving Advance to bear interest at the Base Rate must request a Revolving Advance in a minimum of \$1,000,000.00 and in incremental multiples of \$500,000.00.

4.1.2 LIBO Rate Option. From time to time, and so long as no Event of Default has occurred and is continuing, at the request of Borrower included in a Borrowing Notice, all or any part of the outstanding principal balance under the Revolving Notes may bear interest at the LIBO Rate (each a “**LIBO Rate Loan**”); provided that Borrower may have no more than ten (10) LIBO Rate Loans outstanding at any time. To effect this option, the Borrowing Notice must specify (a) the principal amount that is to bear interest at the LIBO Rate, which must be a minimum of \$1,000,000.00 and in incremental multiples of \$500,000.00 and (b) the period selected by Borrower during which the LIBO Rate is to be applied (“**LIBO Rate Period**”), which may be any period of one, two, three, or six months, provided that LIBO Rate Periods must mature no later than the Maturity Date. In addition, for the purposes of determining a LIBO Rate Period, a month means a period starting on one day in a calendar month and ending on a numerically corresponding day in the next calendar month; provided that if there is no numerically corresponding day in the month in which a LIBO Rate Period is to end, or if a LIBO Rate Period begins on the last day of a calendar month, then such LIBO Rate Period shall end on the last Banking Day of the calendar month in which such LIBO Rate Period is to end. Borrower may convert any Base Rate Loan to a LIBO Rate Loan, or continue a LIBO Rate Loan, by making a written request therefore (“**LIBO Request**”) to the Administrative Agent by facsimile, specifying (y) the principal amount that is to bear interest at the LIBO Rate, which must be a minimum of \$1,000,000.00 and in incremental multiples of \$500,000.00 and (z) the LIBO Rate Period selected by Borrower during which the LIBO Rate is to be applied. The Administrative Agent shall incur no liability in acting upon a request which it believed in good faith had been made by a properly authorized officer of Borrower. Following the expiration of the LIBO Rate Period for any LIBO Rate Loan, interest shall automatically accrue at the Base Rate unless Borrower requests and receives another LIBO Rate Loan as provided in this Subsection.

4.2 Interest on Voluntary Converted Loan. The Voluntary Converted Loan shall bear interest at the 3-Month LIBO Rate in effect as of the Voluntary Conversion Date and as re-set each three (3) month anniversary of such date, plus, in each instance, the LIBOR Margin, and shall be considered a LIBO Rate Loan.

4.3 Interest on Automatic Converted Loan. The Automatic Converted Loan shall bear interest at the 3-Month LIBO Rate in effect as of the Automatic Conversion Date and as re-set each three (3) month anniversary of such date, plus, in each instance, the LIBOR Margin, and shall be considered a LIBO Rate Loan.

4.4 Interest on Term Loan.

4.4.1 Fixed Rate Tranche. The unpaid principal balance of the Fixed Rate Tranche of the Term Loan shall bear interest at the Treasury Rate plus 225 basis points.

4.4.2 Floating Rate Tranche. The unpaid principal balance of the Floating Rate Tranche of the Term Loan shall bear interest at the 3-Month LIBO Rate plus the Floating Rate Tranche Margin.

4.5 Additional Provisions for LIBO Rate Loans and the Floating Rate Tranche.

4.5.1 Inapplicability or Unavailability of LIBO Rate and/or 3-Month LIBO Rate. If the Administrative Agent at any time shall reasonably determine that for any reason adequate and reasonable means do not exist for ascertaining the LIBO Rate and/or the 3-Month LIBO Rate (hereinafter in this Section 4.5, the term "LIBO Rate" shall include the "3-Month LIBO Rate" where appropriate for all purposes), then the Administrative Agent shall promptly give notice thereof to Borrower. If such notice is given and until such notice has been withdrawn by the Administrative Agent, then any portion of the outstanding principal balance hereof which bears interest determined in relation to the LIBO Rate shall, subsequent to the end of the LIBO Rate Period applicable thereto, bear interest at the Base Rate.

4.5.2 Change in Law; LIBO Rate Loan Unlawful. If any law, treaty, rule, regulation or determination of a court or governmental authority or any change therein or in the interpretation or application thereof (each, a "Change in Law") shall make it unlawful for any of the Syndication Parties to (a) advance its Funding Share of any LIBO Rate Loan (which term shall, for the purposes of this Subsection 4.5.2, include the Floating Rate Tranche) or (b) maintain its share of all or any portion of the LIBO Rate Loans, each such Syndication Party shall promptly, by telephone or facsimile, notify the Administrative Agent thereof, and of the reasons therefor and the Administrative Agent shall promptly notify Borrower thereof and if the notice from such Syndication Party is in writing, the Administrative Agent shall provide a copy of such notice to Borrower. In the former event, the obligation of any such Syndication Party to make available its Funding Share of any future LIBO Rate Loan shall immediately be canceled (and, in lieu thereof shall be made as a Base Rate Loan), and in the latter event, any such unlawful LIBO Rate Loans or portions thereof then outstanding shall be converted, at the option of such Syndication Party, to a Base Rate Loan; provided, however, that if any such Change in Law shall permit the LIBO Rate to remain in effect until the expiration of the LIBO Rate Period applicable to any such unlawful LIBO Rate Loan, then such LIBO Rate Loan shall continue in effect until the

expiration of such LIBO Rate Period. Upon the occurrence of any of the foregoing events on account of any change in any law, treaty, rule, regulation or determination of a court or governmental authority or in the interpretation or application thereof, Borrower shall pay to the Administrative Agent immediately upon demand such amounts as may be necessary to compensate any such Syndication Party for any fees, charges, or other costs incurred or payable by such Syndication Party as a result thereof and which are attributable to any LIBO Rate Loan made available to Borrower hereunder, and any reasonable allocation made by any such Syndication Party among its operations shall be conclusive and binding upon Borrower absent manifest error. In the event any Syndication Party provides the Administrative Agent a notice under this Subsection, then Borrower shall have the right, but not the obligation, upon written notice to the Administrative Agent, accompanied by the payment of such amounts as are described above and any applicable Funding Losses on account of the prepayment required below, on or before 10:00 A.M. (Central time) on or before ten (10) Banking Days following receipt of such notice, to reduce the Individual Revolving Commitment and/or Individual Term Commitment, as applicable, of such Syndication Party upon making a prepayment, to be treated as a Voluntary Prepayment to the extent not inconsistent with the provisions of this Subsection, equal to the amount of such Syndication Party's Individual Outstanding Obligations (exclusive of such Syndication Party's Individual Term Outstanding Obligations relating to the Fixed Rate Tranche). In the event Borrower makes such an election, then a reduction in a dollar amount corresponding to (x) such reduction in the Syndication Party's Individual Revolving Commitment shall be made in the Aggregate Revolving Commitment; and (y) such reduction in the Syndication Party's Individual Term Commitment shall be made in the Aggregate Term Commitment, and a corresponding reduction shall be made to the Aggregate Commitment. Notwithstanding any provisions of this Credit Agreement to the contrary, including, without limitation, Sections 2.8 and 3.8, the amount of such prepayment shall be applied to outstanding LIBO Rate Loans to the extent of such Syndication Party's Pro Rata Share thereof and, along with the amount paid on account of such fees, charges, Funding Losses, or other costs, distributed to the Syndication Party providing such notice and as to which Borrower has made such election.

4.6 Default Interest Rate. All past due payments on the Loans or of any other Bank Debt (whether as a result of nonpayment by Borrower when due, at maturity, or upon acceleration) shall bear interest at the Default Interest Rate from and after the due date for the payment, or on the date of maturity or acceleration, as the case may be.

4.7 Interest Calculation. Interest on all Loans shall be calculated on the actual number of days the principal owing thereunder is outstanding with the daily rate calculated on the basis of a year consisting of 360 days. In calculating interest, the Advance Date shall be included and the date each payment is received shall be excluded.

4.8 Fees. Borrower shall pay or cause to be paid the following fees:

4.8.1 Commitment Fee – Revolving Loan. A fee for each day during the Revolving Availability Period (“**Revolving Commitment Fee**”) (a) payable in arrears

by the fifteenth day of the month following the close of each Fiscal Quarter, and (b) determined for each day during such Fiscal Quarter by (i) multiplying the Commitment Fee Factor in effect on such day (expressed as a daily rate on the basis of a year of 360 days) times (ii) the difference between the Aggregate Revolving Commitment in effect on such day, and the outstanding principal balance owing under the Revolving Loan as of the close of the Administrative Agent's business on such day. The Revolving Commitment Fee shall be payable by Borrower to the Administrative Agent, and the Administrative Agent shall distribute the Revolving Commitment Fee to the Syndication Parties based on their Individual Revolving Pro Rata Share during such Fiscal Quarter.

4.8.2 Commitment Fee – Term Loan. A fee for each day during the Term Loan Availability Period (“**Term Commitment Fee**”) (a) payable in arrears by the fifteenth day of the month following the close of each Fiscal Quarter, and (b) determined for each day during such Fiscal Quarter by (i) multiplying the Term Fee Factor (expressed as a daily rate on the basis of a year of 360 days) times (ii) the difference between the Aggregate Term Commitment in effect on such day, and the outstanding principal balance owing under the Term Loan as of the close of the Administrative Agent's business on such day. The Term Commitment Fee shall be payable by Borrower to the Administrative Agent, and the Administrative Agent shall distribute the Term Commitment Fee to the Syndication Parties based on their Individual Term Pro Rata Share during such Fiscal Quarter. Notwithstanding the foregoing, Borrower shall not be required to pay any Term Commitment Fee for the period from the Closing Date until the earlier of (x) the date which is ninety (90) days after the Closing Date, or (y) January 1, 2007.

4.9 Interest Rate Margins; Commitment Fee Factor. The Margins and the Commitment Fee Factor shall be determined as follows:

4.9.1 Calculation. The “**Base Rate Margin**” and the “**LIBOR Margin**” (collectively the “**Margins**”), and the “**Commitment Fee Factor**” shall

(a) except for the period described in clause (b) of this Subsection, be determined pursuant to the table below (expressed in basis points) based on the Leverage Ratio, as of the end of each Fiscal Quarter, with such Margins and Commitment Fee Factor effective as of the fifth Banking Day after receipt of a Compliance Certificate as required pursuant to Subsection 4.9.2 hereof (and it being expressly understood that the LIBOR Margin once set for a LIBO Rate Loan will not change during the LIBO Rate Period therefor based upon a subsequent change in the Leverage Ratio; provided however, any change in the Leverage Ratio reflected in the Update Certificate shall be applicable to all LIBOR Loans as of the date of such Update Certificate, notwithstanding that it would require a change during the LIBO Rate Period therefore), except that (i) the Margins and Commitment Fee Factor effective as of the Closing Date shall be based on the Compliance Certificate provided on the Closing Date (or in accordance with clause (d) of this Subsection if no such Compliance Certificate was provided).

(b) For the period commencing on the date on which the initial Term Advance occurs, and continuing until the one (1) year anniversary of such date, the Margins and the Commitment Fee Factor shall be determined from the table below based on Pricing Level IV (regardless of Borrower's Leverage Ratio).

(c) In the event that, with respect to the period described in clause (a) of this Subsection, the final annual audited financial statements establish that Borrower was not entitled to a reduction in the Margins and/or the Commitment Fee Factor previously granted based upon a Compliance Certificate, Borrower shall, upon written demand by the Administrative Agent, pay any excess amount which should have been charged based on such annual audited financial statements.

(d) In the event that, with respect to the period described in clause (a) of this Subsection, the Compliance Certificate is not received by Administrative Agent by the Margin Report Deadline, the Margins and the Commitment Fee Factor for the period commencing on the first Banking Day after the Margin Report Deadline will each be based on Pricing Level V continuing until the fifth Banking Day after such time as Borrower delivers the Compliance Certificate to the Administrative Agent, after which time the Margins and the Commitment Fee Factor will be based on such Compliance Certificate:

Pricing Level	Leverage Ratio	LIBOR Margin	Base Rate Margin	Commitment Fee Factor
I	< 45%	100.0 basis points	0 basis points	20.0 basis points
II	³ 45% < 50%	125.0 basis points	0 basis points	25.0 basis points
III	³ 50% < 55%	150.0 basis points	0 basis points	30.0 basis points
IV	³ 55% < 60%	175.0 basis points	25.0 basis points	35.0 basis points
V	³ 60%	200.0 basis points	25.0 basis points	40.0 basis points

4.9.2 Compliance Certificate. (a) On the Closing Date (and based on results as of the last day of the most recently ended Fiscal Quarter); and (b) on or before the 45th day after the beginning of the second, third and fourth Fiscal Quarter of each Fiscal Year and on or before the 90th day after the beginning of the first Fiscal Quarter of each Fiscal Year ("**Margin Report Deadline**"), commencing with the Fiscal Quarter which begins on October 1, 2006, Borrower shall provide to the Administrative Agent the Compliance Certificate required pursuant to Subsections 10.2.1 and 10.2.2 hereof, which shall include a statement as to the Leverage Ratio as of the last day of the preceding Fiscal Quarter. In addition, within ten (10) Banking Days after the Control Acquisition Date, Borrower shall provide to the Administrative Agent a Certificate signed by Borrower's Chief Financial Officer ("**Update Certificate**"), (a) setting forth for Borrower and its Consolidated Subsidiaries (i) the aggregate outstanding principal amount of all Debt; less unrestricted cash and cash equivalents, (ii) the sum of the aggregate outstanding principal amount of all Debt included in clause (i) above; less unrestricted cash and cash equivalents plus Net Worth, and (iii) the calculation of the Leverage Ratio, in each case effective on and as of the Control Acquisition Date and

compiled on a pro-forma basis to include Gold Kist as a Consolidated Subsidiary, based on Gold Kist's results from the most recent reporting period available for which information has been publicly filed with the Securities Exchange Commission; and (b) certifying that the amounts set forth, to the best of the Chief Financial Officer's knowledge, accurately present amounts required to be calculated on a consolidated basis for Borrower and its Consolidated Subsidiaries (including Gold Kist on a pro forma basis).

4.9.3 Re-pricing. The Floating Rate Tranche Margin shall be in effect until the seventh anniversary of the Closing Date ("**Re-pricing Date**"). Borrower and the Administrative Agent shall negotiate in an effort to reach agreement on a revised Floating Rate Tranche Margin to take effect on the day after the Re-pricing Date ("**Revised Floating Rate Tranche Margin**"). In the event that such parties reach agreement on the Revised Floating Rate Tranche Margin, and it is approved by the Syndication Parties as provided in Section 14.7.1(f) hereof, such Revised Floating Rate Tranche Margin shall take effect on the day after the Re-pricing Date and shall thereafter be deemed to be the Floating Rate Tranche Margin. In the event that such parties fail to reach agreement on the Revised Floating Rate Tranche Margin which is approved by the Syndication Parties as provided in Section 14.7.1(f) hereof, Borrower shall, on or before the Banking Day coinciding with, or immediately following, the date which is thirty (30) days after the Re-pricing Date, pay in full all amounts owing under the Floating Rate Tranche of the Term Loan, and such date shall become the Maturity Date for such Floating Rate Tranche of the Term Loan.

4.10 Maximum Interest Rate. Borrower acknowledges and agrees that 12 U.S.C. § 2205 provides that Farm Credit System Institutions are not subject to any interest rate limitation imposed by any state constitution or statute or other laws, and that any such limitations are preempted, and that therefore interest owing under the Notes, to the extent funded by a Farm Credit System Institution, is not subject to any ceiling. Nonetheless, in the event it is ever determined by a court of competent jurisdiction that interest owing on the Notes, or some of them, is subject to any limitations imposed by the laws of the State of Colorado or Texas or any other jurisdiction, it is the intent of Borrower, and the Syndication Parties to, notwithstanding the provisions of Section 4.1 hereof, at all times comply with the applicable usury laws relating to this Credit Agreement or the Notes now or hereafter in effect including, without limitation, Title 4 of the Texas Finance Code and any subsequent revisions or judicial interpretations thereof if, and to the extent, determined by a court to be applicable to the Notes. It is agreed that the aggregate of all interest and other charges constituting interest, or adjudicated as constituting interest, and contracted for, chargeable, or receivable in connection with the Notes shall under no circumstances exceed the maximum nonusurious amount of interest permitted by applicable law. If the applicable laws are ever revised or judicially interpreted so as to render usurious any amount called for under this Credit Agreement or the Notes or contracted for, charged, chargeable, received or receivable with respect to this Credit Agreement or the Notes, or if the exercise of the option to accelerate the maturity of the Notes, or if any payment, results in Borrower having paid any interest on one or more of the Notes in excess of that permitted by applicable law, any such construction shall be subject to the provisions of this Section and, to the extent permitted by applicable law all excess

amounts collected on such Notes shall be credited on the principal balance of such Notes (or, if it has been paid in full, refunded to Borrower), and those provisions shall immediately be deemed reformed and the amounts thereafter collectible will be reduced, without the necessity of the execution of any new documents, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount of interest otherwise lawfully called for under this Credit Agreement or the Notes. In the event the maturity of any Note is accelerated, then earned interest may never include more than the maximum amount of interest permitted by applicable law from the date of each advance of the proceeds of such Note until paid. Specifically, but without in any way limiting the generality of the foregoing, if from any circumstances whatsoever fulfillment of any provision of this Credit Agreement or the Notes, at the time performance of such provision is due, would cause the interest contracted for, charged, chargeable, received or receivable with respect to this Credit Agreement or any of the Notes to exceed the amount permitted by applicable law, then ipso facto and notwithstanding anything to the contrary contained herein, Borrower shall only be required to pay interest on each such Note in an amount equal to the lesser of the amounts payable under this Credit Agreement and the maximum amount permitted by applicable law. In determining whether the amount of interest contracted for, charged, chargeable, received or receivable with respect to this Credit Agreement or any of the Notes would ever exceed the amount permitted by applicable law, all sums charged, paid or agreed to be paid under this Credit Agreement for the use, forbearance, or detention of the indebtedness of Borrower to the Administrative Agent and/or the Syndication Parties shall, to the extent possible under applicable law, be amortized, prorated, allocated, and spread throughout the full term of the Notes (including any renewal or extension), until payment in full. The provisions of this Section control all agreements between the Administrative Agent and/or the Syndication Parties and Borrower relative to the Notes. In the event any interest is required to be credited to principal or refunded to Borrower with respect to some, but not all, of the Notes, such adjustment shall be for the account of the Syndication Party which is the payee under such Note or Notes, and shall not affect the other Notes or the Syndication Parties which are the payees under such other Notes.

ARTICLE 5. PAYMENTS; FUNDING LOSSES

5.1 Principal Payments on Voluntary Converted Loan. The outstanding principal balance of the Voluntary Converted Loan shall be payable (a) in equal quarterly installments in the amount of one percent (1.0%) per annum (i.e. $\frac{1}{4}$ of 1% per quarter) of the outstanding principal amount as of the Voluntary Conversion Date, commencing on the fifth day of the calendar quarter next following the Voluntary Conversion Date and on the fifth day of each calendar quarter thereafter, and (b) one final payment on the Maturity Date equal to the unpaid balance owing under the Voluntary Converted Loan, requiring a balloon payment on such date.

5.2 Principal Payment on Automatic Converted Loan. The outstanding principal balance of the Automatic Converted Loan shall be payable (a) in equal quarterly installments in the amount of ten percent (10.0%) per annum (i.e. $2\frac{1}{2}$ % per quarter) of the Automatic Conversion Amount, commencing on the fifth day of the

calendar quarter next following the Automatic Conversion Date and on the fifth day of each calendar quarter thereafter, and (b) one final payment on the Maturity Date equal to the unpaid balance owing under the Automatic Converted Loan, requiring a balloon payment on such date.

5.3 Principal Payments on Term Loan. Principal owing under the Term Loan shall be payable (a) in equal quarterly installments in the amount of one percent (1.0%) per annum (i.e. $\frac{1}{4}$ of 1% per quarter) of the principal amount owing on the Term Loan Advance Date, commencing on the fifth day of the calendar quarter next following the Term Loan Advance Date and on the fifth day of each calendar quarter thereafter, and (b) one final payment on the Maturity Date equal to the unpaid balance owing under the Term Loan, requiring a balloon payment on such date. Principal payments, including prepayments, on the Term Loan shall be allocated between the Fixed Rate Tranche and the Floating Rate Tranche in accordance with the Term Loan Allocation Ratio.

5.4 Interest Payments. Interest shall be payable as follows: (a) interest on Base Rate Loans shall be payable monthly in arrears on the fifth day of the following month; (b) interest on the Fixed Rate Tranche shall be payable quarterly in arrears on the fifth day of each January, April, July, and October; (c) interest on LIBO Rate Loans and the Floating Rate Tranche shall be payable in arrears on the last day of the LIBO Rate Period therefor unless the LIBO Rate Period is longer than three (3) months, in which case interest shall also be payable every three (3) months from the date of the relevant Advance; and (d) interest on all Loans then accrued and unpaid shall be payable on the Maturity Date.

5.5 Voluntary Prepayments. Borrower shall have the right to make payments on the Revolving Loan and, subject to the limitations in Subsection 5.7.2 hereof, to prepay (“**Voluntary Prepayments**”) all or any part of the outstanding principal balance under the Term Loan, the Voluntary Converted Loan and/or the Automatic Converted Loan at any time, in minimum amounts of \$1,000,000.00 and in integral multiples of \$500,000.00 in the event such prepayment occurs prior to the date on which Borrower acquires 100% of the Gold Kist Stock, or in minimum amounts of \$5,000,000 and integral multiples of \$1,000,000 thereafter (or the entire outstanding balance in each case, if less) on any Banking Day; provided that (a) in the event of prepayment of any LIBO Rate Loan or the Floating Rate Tranche (i) Borrower must provide three (3) Banking Days notice to the Administrative Agent prior to making such prepayment, and (ii) Borrower must, at the time of making such prepayment, pay (A) all Funding Losses applicable to such prepayment, and (B) all interest accrued as of the date of such prepayment; and (b) in the event of prepayment of the Fixed Rate Tranche, Borrower must, at the time of making such prepayment, pay (A) all Prepayment Fees applicable to such prepayment, and (B) all interest accrued as of the date of such prepayment. Principal amounts paid or voluntarily prepaid on the Revolving Loan (but not including the Voluntary Converted Loan) may be reborrowed under the terms and conditions of this Credit Agreement during the Revolving Availability Period. Principal amounts paid or voluntarily prepaid on the Term Loan may not be reborrowed.

5.6 Mandatory Prepayments. Borrower shall be required to make prepayments (“**Mandatory Prepayments**”) in each of the following events:

(a) in the event any of the Collateral is the subject of a Casualty Event, a Mandatory Prepayment equal to the amount of the Casualty Proceeds received by Borrower on account thereof (provided that no such Mandatory Prepayment shall be required to the extent that Borrower uses such Casualty Proceeds for repair or replacement for any Casualty Event if the amount of Casualty Proceeds does not exceed \$25,000,000.00, or such higher amount as may be approved by the Required Lenders at their discretion, and so long as (i) a contract for such repair or replacement is entered into within 180 days of such Casualty Event for such repairs and/or the acquisition of such replacements, (ii) such repair or replacement is effected within 360 days of such Casualty Event, and (iii) any such replacements are covered by the lien in favor of the Administrative Agent on the Collateral);

(b) upon the issuance of any equity securities in a capital raising transaction resulting in net proceeds to Borrower of an amount in excess of \$10,000,000.00 (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock), a Mandatory Prepayment equal to fifty percent (50.0%) of the net proceeds of such offering of equity securities to the extent not used, under the conditions set forth below, for acquisitions and/or capital investment within 360 days of receipt; provided however, no Mandatory Prepayment shall be required under this Section 5.6(b) in connection with a Permitted Capital Raising Transaction or to the extent Borrower is required to make prepayments under the terms of any unsecured debt or loan facility in connection with any Permitted Capital Raising Transaction;

(c) upon sale or other disposition of any non-current assets (except for sales in the ordinary course of business) which are a part of the Collateral (other than Collateral with respect to which the lien is released pursuant to the provisions of Section 10.15 hereof), a Mandatory Prepayment equal to one hundred percent (100%) of the net proceeds in excess of \$10,000,000 received by Borrower to the extent that such excess net proceeds are not used, under the conditions set forth below, for acquisitions and/or capital investment within 360 days of receipt by Borrower, of or in assets which are covered by a first priority perfected lien in favor of the Administrative Agent subject to Permitted Encumbrances;

(d) upon sale or other disposition of any non-current assets (except for sales of investments available for sale and other sales in the ordinary course of business) which are not part of the Collateral, if Borrower at any time subsequent to such sale desires to use (and Borrower is not required to do so under the terms of an secured or unsecured credit facility or indenture) any of the net proceeds thereof to pay amounts owing under any of the Senior Unsecured Notes, Borrower (i) shall provide the Administrative Agent with ten (10) days advance written notice of its intention to make such payment and (ii) shall, if required to do so by the Administrative Agent, make a Mandatory Prepayment in the Pro Rata Amount; and

(e) at any time that (i) the aggregate outstanding principal balance owing under the Revolving Loan (including the Converted Loans), and under the Term Loan, in the aggregate exceeds the Available Amount or exceeds the Aggregate Commitment, as it may exist at any time, or (ii) the principal balance owing under the Revolving Loan exceeds the Aggregate Revolving Commitment, or (iii) the principal balance owing under the Term Loan exceeds the Aggregate Term Commitment, then, in any such case, a Mandatory Prepayment equal to the amount of such excess.

In each case of proceeds from any offering of equity securities (other than a Permitted Capital Raising Transaction) and from any sale or other disposition of Collateral (other than Collateral with respect to which the lien is released pursuant to the provisions of Section 10.15 hereof), to avoid Mandatory Prepayment based thereon, Borrower must, within 180 days of receipt of such proceeds, have used such proceeds for acquisitions and/or capital investments or executed a binding definitive contract for such acquisitions and/or capital investments. Mandatory Prepayments made pursuant to clauses (a) and (b) of this Section, will, in either case, result in a permanent reduction of the Aggregate Commitment and the Revolving Commitment to the extent of the Mandatory Payments applied to the Revolving Loan. Mandatory Prepayments under clause (a) shall be due no later than ten (10) Banking Days after the expiration of the applicable repair or replacement period set forth above in clause (a). Mandatory Prepayments under clause (b) shall be due no later than ten (10) Banking Days after the expiration of the applicable acquisition or capital investment period set forth above in clause (b). Mandatory Prepayments under clause (c) shall be due no later than ten (10) Banking Days after the expiration of the applicable acquisition or capital investment period set forth above in clause (c). Mandatory Prepayments under clause (d) shall be due no later than the date Borrower makes payment under the Senior Unsecured Notes from such excess proceeds. Mandatory Prepayments under (e) shall be due the next Banking Day following such occurrence. In determining the amount of Mandatory Prepayment required under clauses (a) or (c), Borrower shall be permitted to make any prepayment required on account of such Casualty Event or sale under any Pari Passu Loan (in a maximum amount no greater than the pro rata portion based on total outstanding principal balances of such loan and the Revolving Loans). The term “**Pro Rata Amount**”, as used in this Section, means an amount determined (1) by dividing the amount of Borrower’s proposed payment of the Senior Unsecured Notes, by the total amount of principal owing under the Senior Unsecured Notes, and multiplying the result by the average daily unpaid balance of the Loans over the immediately preceding 30 consecutive days, or (2) by dividing the amount of Borrower’s proposed payment of the Senior Subordinated Notes (where such payment is permitted hereunder), by the total amount of principal owing under the Senior Subordinated Notes, and multiplying the result by the average daily unpaid balance of the Loans over the immediately preceding 30 consecutive days, or (3) if Borrower proposes to make payments under both the Senior Unsecured Notes and the Senior Subordinated Notes (where such payment is permitted hereunder), by dividing the amount of Borrower’s proposed payment of the Senior Unsecured Notes plus the amount of Borrower’s proposed payment of the Senior Subordinated Notes, by the total amount of principal owing under the Senior Unsecured Notes plus the total amount of principal owing under the Senior Subordinated Notes, and multiplying the result by the average daily unpaid balance of the Loans over the immediately preceding 30 consecutive days.

5.7 Application of Principal Payments.

5.7.1 Scheduled Payments. All Scheduled Payments with respect to a Converted Loan shall be applied to the Scheduled Payment next coming due under such Converted Loan. All Scheduled Payments with respect to the Term Loan shall be applied to the Scheduled Payment next coming due under the Term Loan.

5.7.2 Voluntary Prepayments. Except as provided below and as provided in Subsection 4.5.2 and Sections 9.4 and 9.5 hereof, so long as no Event of Default has occurred and is continuing, all Voluntary Prepayments (but excluding payments Borrower designates for application to the Revolving Loan, other than the Voluntary Converted Loan and the Automatic Converted Loan) shall be applied to the Floating Rate Tranche, the Voluntary Converted Loan, and the Automatic Converted Loan, pro rata (based on the outstanding principal balance owing under each such Loan divided by the principal balance owing under all such Loans, determined in each case as of the date of application of such Voluntary Prepayment). Notwithstanding the foregoing, each Syndication Party to whom has been allocated a portion of the Voluntary Converted Loan, has the absolute right to refuse to accept any Voluntary Prepayments on its portion of the Voluntary Converted Loan until the Floating Rate Tranche and the Automatic Converted Loan have been repaid in full (in which case such Voluntary Prepayment shall be allocated between the Automatic Converted Loan and the Floating Rate Tranche substantially in the manner provided above). After the Floating Rate Tranche and the Automatic Converted Loans have been repaid in full, Borrower, at its sole discretion, may direct that Voluntary Prepayments be applied to the Voluntary Converted Loan or the Fixed Rate Tranche. To the extent Voluntary Prepayments are applied to the Voluntary Converted Loan, the Automatic Converted Loan, or the Term Loan, they shall be applied first to the four principal installments next coming due with respect to each such Loan, and second to remaining installments coming due with respect to each such Loan on a ratable basis. However, notwithstanding any of the foregoing provisions of this Subsection, upon the occurrence and during the continuance of an Event of Default, all prepayments shall be applied, as the Administrative Agent in its sole discretion shall determine, to fees, interest or principal indebtedness under the Notes, or to any other Bank Debt.

5.7.3 Mandatory Prepayments. All Mandatory Prepayments shall be applied, subject to clauses (x) through (z) below, on a pro rata basis (based, with respect to any such Loan, on the outstanding principal owing under such Loan to the outstanding principal owing under all such Loans) to principal amounts owing under the Voluntary Converted Loan, the Automatic Converted Loan and/or the Revolving Loan, and the Term Loan (allocated between the Floating Rate Tranche and the Fixed Rate Tranche in accordance with the Term Loan Allocation Ratio), and to the extent not inconsistent with the balance of this Subsection, with respect to the Revolving Loan first to Base Rate Loans and then to LIBO Rate Loans. (x) To the extent Mandatory Prepayments are applied to the Voluntary Converted Loan, the Automatic Converted

Loan, and the Term Loan, on account of clauses (a) or (d) of Section 5.6, they shall be applied to required principal payments in the inverse order of their due date, so that such Mandatory Prepayments are applied first to the required principal payment last coming due. (y) To the extent, after application under clause (z) below, Mandatory Prepayments are applied to the Voluntary Converted Loan, the Automatic Converted Loan, and the Term Loan, on account of clauses (b), (c), or (e)(i) of Section 5.6, they shall be applied first to the four principal installments next coming due, and second to remaining installments on a ratable basis. (z) To the extent Mandatory Prepayments are required on account of clauses (e)(ii) or (e)(iii) of Section 5.6, they shall be applied to the Revolving Loan or the Term Loan, respectively.

5.8 Manner of Payment. All payments, including prepayments, that Borrower is required or permitted to make under the terms of this Credit Agreement shall be made in US dollars to the Administrative Agent (a) in immediately available federal funds, to be received no later than 1:00 P.M. Central time of the Banking Day on which such payment is due by wire transfer through Federal Reserve Bank, Kansas City, Routing Number: 307088754, COBANK ENGWD (or to such other account as the Administrative Agent may designate by notice); and (b) without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, impost, duties, charges, fees, deductions, withholding, compulsory loans, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless Borrower is required by law to make such deduction or withholding.

5.9 Distribution of Principal and Interest Payments. The Administrative Agent shall distribute payments of principal and interest among the Syndication Parties as follows:

5.9.1 Principal and Interest Payments on Revolving Loan. Principal and interest payments on or applied to the Revolving Loan (including Converted Loans) shall be remitted to the Syndication Parties in accordance with their Individual Revolving Pro Rata Share, subject to such adjustment, if any, as may be required to account for allocation of the Voluntary Converted Loan as provided in Section 2.10 hereof.

5.9.2 Principal Payments on Term Loan. Principal payments on or applied to the Term Loan shall be allocated between the Floating Rate Tranche and the Fixed Rate Tranche in accordance with the Term Loan Allocation Ratio and remitted to the Syndication Parties in accordance with the portion of their Individual Term Pro Rata Share allocable to each such Tranche.

5.9.3 Interest Payments on Term Loan. Interest payments on or applied to the Floating Rate Tranche shall be remitted to the Syndication Parties in accordance with their Individual Floating Rate Share, and interest payments on or applied to the Fixed Rate Tranche shall be remitted to the Syndication Parties in accordance with their Individual Fixed Rate Share.

5.10 Funding Losses. “**Funding Losses**” on account of the prepayment of a LIBO Rate Loan (hereinafter in this Section 5.10, the term “LIBO Rate Loan” shall include the Floating Rate Tranche where appropriate) shall be determined on an individual Syndication Party basis as the amount which would result in such Syndication Party being made whole (on a present value basis) for the actual or imputed funding losses (including, without limitation, any loss, cost or expense incurred by reason of obtaining, liquidating or employing deposits or other funds acquired by such Syndication Party to fund or maintain such LIBO Rate Loan) incurred by such Syndication Party as a result of the prepayment of such LIBO Rate Loan on any day other than the last day of the LIBO Rate Period applicable thereto. In the event of any such prepayment, each Syndication Party which had funded the LIBO Rate Loan being prepaid shall, promptly after being notified of such prepayment, send written notice (“**Funding Loss Notice**”) to the Administrative Agent by facsimile setting forth the amount of attributable Funding Losses and the method of calculating the same. The Administrative Agent shall notify Borrower orally or in writing of the amount of such Funding Losses. A determination by a Syndication Party as to the amounts payable pursuant to this Section shall be conclusive absent manifest error. Notwithstanding the foregoing, each Syndication Party is entitled to fund all or any part of its Pro Rata Share of any LIBO Rate Loan in any manner it selects, and it is understood that for the purposes of determining any Funding Losses, determination shall be made by each Syndication Party as though it had actually funded and maintained each LIBO Rate Loan through the purchase of deposits in the relevant interbank market having a maturity corresponding to the relevant LIBO Rate Period.

5.11 Prepayment Fee – Fixed Rate Tranche. In the event that any Voluntary Prepayment is, pursuant to the provisions set forth above in this Article 5, applied to the Fixed Rate Tranche of the Term Loan, Borrower will be obligated to pay, and shall pay with each such Voluntary Prepayment, a fee designed to compensate the Syndication Parties for their actual or imputed funding losses (including, without limitation, any loss, cost or expense incurred by reason of obtaining, liquidating or employing deposits or other funds acquired by such Syndication Party to fund or maintain such Loan) incurred by such Syndication Party as a result of such prepayment of Fixed Rate Tranche (“**Prepayment Fee**”). The Prepayment Fee shall be an amount calculated as follows:

(a) The Prepayment Fee shall be the amount, if any, equal to the product obtained by multiplying (i) a fraction, the numerator of which shall be the principal amount being accelerated or prepaid and the denominator of which shall be the aggregate outstanding principal amount owing under the Fixed Rate Tranche immediately prior to such acceleration or prepayment, by (ii) the excess, if any, of:

(1) the sum as of the date of such acceleration or prepayment of the following:

(i) each payment of principal required to be made on the Fixed Rate Tranche during the remaining term thereof, including the principal payment due at the Maturity Date, assuming that all such payments on the Fixed Rate Tranche were made when due and that no other prepayment was made, and

(ii) each payment of interest which would be required to be paid during the remaining term of the Fixed Rate Tranche on the aggregate principal amount of the Fixed Rate Tranche from time to time outstanding (assuming such payments were made when due as described in clause (1)(i) above) at an interest rate for the remainder of the term of the Fixed Rate Tranche equal to the annual interest rate then in effect with respect to the Fixed Rate Tranche on the date of prepayment or . acceleration;

over

(2) the sum as of the date of such acceleration or prepayment of the following:

(i) each payment of principal required to be made on the Fixed Rate Tranche during the remaining term thereof, including the principal payment due at the Maturity Date, assuming that all such payments on the Fixed Rate Tranche were made when due and that no other prepayment was made, and

(ii) each payment of interest which would be required to be paid during the remaining term of the Fixed Rate Tranche on the aggregate principal amount of the Fixed Rate Tranche from time to time outstanding (assuming such payments were made when due as described in clause (2)(i) above) at an interest rate for the remainder of the term of the Fixed Rate Tranche equal to the then applicable Matched Maturity U.S. Treasury Rate plus (i) one hundred (100) basis points for the period from the date of prepayment to the Maturity Date,

and discounting the amount of such excess (on a monthly basis) from the date fixed therefor back to the date of such acceleration or prepayment at a rate equal to the then applicable Matched Maturity U.S. Treasury Rate for each such date.

For the purpose of calculating the Prepayment Fee, the term “**Matched Maturity U.S. Treasury Rate**” shall mean, as of the date any determination thereof is to be made with respect to any prepayment, a per annum rate equal to the arithmetic mean of the annual yields to maturity for United States Treasury securities having a term to maturity equal to the period from the date of such acceleration or prepayment to the date such payment would have become due, as quoted in *The Wall Street Journal* published most recently prior to the second Business Day preceding the date of prepayment or acceleration, as applicable. If no maturity exactly corresponding to such period shall appear therein, such yields for the two most closely corresponding published maturities shall be calculated pursuant to the foregoing sentence and the Matched Maturity U.S. Treasury Rate shall be

interpolated from such yields on a straight-line basis (rounding, in the case of relevant periods, to the nearest month). If *The Wall Street Journal* no longer publishes such information, such annual yields shall be determined, by reference to Release H.15 or any successor publication under the heading "Treasury Constant Maturities" or, for periods less than one year, "Treasury Bills - Secondary Market." If Release H.15 is no longer published, such annual yields shall be determined, at Borrower's expense, by an independent investment banking firm acceptable to Borrower and the Administrative Agent.

5.12 Fee for Prepayment by Refinance. In the event that Borrower prepays all or any portion of the Loans within two (2) years of the Closing Date as a result of, or in connection with, a new financing, Borrower shall be obligated to pay to the Administrative Agent, for allocation among the Syndication Parties on a pro rata basis (based on their Individual Outstanding Obligations), a fee ("**Refinance Fee**") equal to one percent (1.0%) of the amount so prepaid. Payment of the Refinance Fee shall be in addition to any Funding Losses and/or Prepayment Fees payable on account of such prepayments.

ARTICLE 6. BANK EQUITY INTERESTS

6.1 Purchase of Bank Equity Interests. Borrower agrees to purchase such equity interests in Agriland ("**Agriland Bank Equity Interests**") as Agriland may from time to time require in accordance with its bylaws and capital plan in effect as of the date hereof as applicable to borrowers generally. In connection with the foregoing, Borrower hereby acknowledges receipt, prior to the execution of this Credit Agreement, of the following with respect to Agriland (a) the bylaws, (b) a written description of the terms and conditions under which the Bank Equity Interests are issued, (c) the most recent annual report, and if more recent than the latest annual report, the latest quarterly report. In addition, Borrower agrees to purchase such equity interests in any Farm Credit System Institution which is a Syndication Party hereunder as such Farm Credit System Institution may from time to time require in accordance with its bylaws and capital plans as applicable to borrowers generally and as is required by any written agreement Borrower may execute with any such Farm Credit System Institution ("**FCS Bank Equity Interests**" and together with the Agriland Bank Equity Interests the "**Bank Equity Interests**"). Agriland reserves, and Borrower agrees that each Farm Credit System Institution which may become a Syndication Party may at its discretion reserve, the right to sell participations under the provisions of Section 14.25 hereof on a patronage released or on a non-patronage basis.

ARTICLE 7. SECURITY

7.1 Borrower's Collateral. As security for the payment and performance of all obligations of Borrower to the Administrative Agent and to all present and future Syndication Parties, including but not limited to principal and interest under the Notes, fees, Funding Losses, reimbursements, and all other Bank Debt or obligations under any of the Loan Documents, and individually to Agriland and any Syndication Party that is a Farm Credit System Institution (with respect to the obligations of Borrower thereto, if any, arising under Article 6 hereof), Borrower shall grant to, and maintain for, the

Administrative Agent, for the benefit of all present and future Syndication Parties, and for the benefit of Agriland and any Syndication Party that is a Farm Credit System Institution (to the extent of Borrower's obligations thereto, if any, with respect to Bank Equity Interests), a first lien and security interest, pursuant to the Security Documents, subject only to (i) purchase money security interests which would qualify as Permitted Encumbrances, and (ii) Permitted Encumbrances described in Section 11.3(a) hereof, in the following ("**Collateral**"): (a) all of Borrower's real property interest, furniture, fixtures and equipment located at, or used in connection with, the poultry hatching, raising, slaughtering, processing, packaging, and shipping operations and facilities identified on Exhibit 7.1 hereto; (b) all proceeds with respect to the assets described in clause (a) above and all insurance policies in connection with the assets described in clauses (a) and (b) hereof and the proceeds thereof, in each case whether now owned or hereafter acquired; and (c) the GK Collateral as and when required pursuant to Section 10.21 hereof; provided that only the Farm Credit System Institution issuing any Bank Equity Interests (or the Administrative Agent on behalf of such Farm Credit System Institution) shall have a lien on the Bank Equity Interests issued by such Farm Credit System Institution, and none of the Syndication Parties shall have a lien thereon. Borrower shall execute and deliver to the Administrative Agent, for the benefit of the Syndication Parties, the Security Documents to evidence the security interest of the Administrative Agent, for the benefit of the Syndication Parties, in the Collateral, together with such financing statements or other documents as the Administrative Agent shall reasonably request. Borrower shall also execute such further security agreements, mortgages, deeds of trust, financing statements, assignments or other documents as the Administrative Agent shall reasonably request from time to time, in form and substance as the Administrative Agent shall specify, to establish, confirm, perfect or provide notice of the Administrative Agent's security interest (for the benefit of the Administrative Agent and all Syndication Parties) in the Collateral.

7.2 Guaranty. Borrower's obligations under this Credit Agreement, the Notes, and all other Loan Documents shall be guaranteed by Pilgrim Interests, Ltd., a Texas limited partnership ("**Pilgrim Ltd**") through the execution of a guarantee, or an amendment to the guaranty (as amended) provided by Pilgrim Ltd in connection with the 2004 Credit Agreement, in either case in form and substance acceptable to the Administrative Agent and delivered on the Closing Date, provided that such guaranty shall only be with respect to fifty percent (50.0%) of such obligations of Borrower ("**Pilgrim Guaranty**").

ARTICLE 8. REPRESENTATIONS AND WARRANTIES

To induce the Syndication Parties to make the Advances and recognizing that the Syndication Parties and the Administrative Agent are relying thereon, Borrower represents and warrants as follows:

8.1 Organization, Good Standing, Etc. Borrower: (a) is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware; (b) is duly qualified to do business and is in good standing in the State of Texas, and each other jurisdiction in which the transaction of its business makes such

qualification necessary, except to the extent that the failure to so qualify has not resulted in, and could not reasonably be expected to cause, a Material Adverse Effect; and (c) has all requisite corporate and legal power to own and operate its assets and to carry on its business, and to enter into and perform the Loan Documents to which it is a party. Each Subsidiary: (x) is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization; (y) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary, except to the extent that the failure to so qualify has not resulted in, and could not reasonably be expected to cause, a Material Adverse Effect; and (z) has all requisite corporate and legal power to own and operate its assets and to carry on its business.

8.2 Corporate Authority, Due Authorization; Consents. Borrower has taken all corporate action necessary to execute, deliver and perform its obligations under the Loan Documents to which it is a party. All consents or approvals of any Person which are necessary for, or are required as a condition of Borrower's execution, delivery and performance of and under the Loan Documents, have been obtained except where the failure to obtain such consent or approval could not reasonably be expected to cause a Material Adverse Effect.

8.3 Litigation. Except as described on Exhibit 8.3 hereto, there are no pending legal or governmental actions, proceedings or investigations to which Borrower or any Subsidiary is a party or to which any property of Borrower or any Subsidiary is subject which could reasonably be expected to result in any Material Adverse Effect and, to Borrower's knowledge, no such actions or proceedings are threatened or contemplated by any federal, state, county, or city (or similar unit) governmental agency or any other Person.

8.4 No Violations. The execution, delivery and performance of the Loan Documents will not: (a) violate any provision of Borrower's Organizational Documents, or any law, rule, regulation (including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System), or any judgment, order or ruling of any court or governmental agency; (b) violate, require consent under (except such consent as has been obtained), conflict with, result in a breach of, constitute a default under, or with the giving of notice or the expiration of time or both, constitute a default under, any existing real estate mortgage, indenture, lease, security agreement, contract, note, instrument or any other agreements or documents binding on Borrower or affecting its property which, in any such circumstance, could reasonably be expected to result in any Material Adverse Effect; or (c) violate, conflict with, result in a breach of, constitute a default under, or result in the loss of, or restriction of rights under, any Required License or any order, law, rule, or regulation under or pursuant to which any Required License was issued or is maintained ("**Licensing Laws**") which, in any such circumstance, could reasonably be expected to result in any Material Adverse Effect.

8.5 Binding Agreement. Each of the Loan Documents to which Borrower is a party is the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms, subject only to limitations on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and by general principles of equity.

8.6 Compliance with Laws. Borrower and each Subsidiary are in compliance with all federal, state, and local laws, rules, regulations, ordinances, codes and orders, including without limitation all Environmental Laws and all Licensing Laws, with respect to which noncompliance would result in a Material Adverse Effect.

8.7 Principal Place of Business. As of the Closing Date, Borrower's place of business, or chief executive office if it has more than one place of business, and the place where the records required by Section 10.1 hereof are kept, is located at 4845 US Highway 271 N, Pittsburg, Texas 75686.

8.8 Payment of Taxes. Except as shown on Exhibit 8.8 hereto, Borrower and each Subsidiary have filed all required federal, state and local tax returns and have paid all taxes as shown on such returns as they have become due, and have paid when due all other taxes, assessments or impositions levied or assessed against Borrower or any Subsidiary, or their business or properties, except for those subject to a Good Faith Contest or where the failure to make such filing or payment could not reasonably be expected to result in a Material Adverse Effect. Exhibit 8.8 specifically indicates all such taxes which are subject to a Good Faith Contest as of the Closing Date.

8.9 Licenses and Approvals. Borrower and each Subsidiary have ownership of, or license to use, or have been issued, all trademarks, patents, copyrights, franchises, certificates, approvals, permits, authorities, agreements, and licenses which are used or necessary to permit it to own its properties and to conduct the business as presently being conducted as to which the termination or revocation thereof could reasonably be expected to have a Material Adverse Effect ("**Required Licenses**"). Each Required License is in full force and effect, and there is no outstanding notice of cancellation or termination or, to Borrower's knowledge, any threatened cancellation or termination in connection therewith, nor has an event occurred with respect to any Required License which, with the giving of notice or passage of time or both, could result in the revocation or termination thereof or otherwise in any impairment of Borrower's rights with respect thereto, which impairment could reasonably be expected to have a Material Adverse Effect. Borrower is not required to obtain any consent, permission, authorization, order, or license of any governmental authority, in connection with the execution, delivery, performance, or enforcement of and under the Loan Documents to which Borrower is a party except such as have been obtained and are in full force and effect.

8.10 Employee Benefit Plans. Except as otherwise disclosed in writing to the Administrative Agents and on Exhibit 8.10 hereto:

8.10.1 Employee Benefit Plans; Multiemployer Plans. Exhibit 8.10 hereto sets forth as of the Closing Date a true and complete list of each Borrower Benefit Plan, Borrower Pension Plan, and Multiemployer Plan that is maintained by Borrower or in which Borrower participates or to which Borrower is obligated to

contribute, in each case as of the Closing Date. Borrower has received no written notification that any Multiemployer Plan to which Borrower currently has any obligation to contribute which is an “employee pension benefit plan” as such term is defined in Section 3(2) of ERISA fails to qualify under the Code.

8.10.2 Pension Benefit Plans. To the knowledge of Borrower, each Borrower Benefit Plan that is an “employee pension benefit plan” as defined in Section 3(2) of ERISA that is intended to satisfy the requirements of Section 401(a) of the Code (each a “**Borrower Pension Plan**”), and the trust, if any, forming a part thereof, meets in all material respects, and, in all material respects, since its inception has met, the requirements for qualification under Section 401(a) of the Code, and for exemption from taxation under Section 501(a) of the Code (except that these representations shall not be deemed to have been made subsequent to the Closing Date). Except as disclosed on Exhibit 8.10 hereto, the Internal Revenue Service (“**IRS**”) has issued a favorable determination letter with respect to the qualification of each Borrower Pension Plan as of the Closing Date and the trust, if any, relating thereto, and, to the knowledge of Borrower, the IRS has not taken any action to revoke any such letter.

8.10.3 Prohibited Transactions. With respect to each Borrower Benefit Plan sponsored or maintained by Borrower or in which Borrower participates or to which Borrower is obligated to contribute (with the exception of any Multiemployer Plan), neither Borrower nor any Borrower Benefit Plan or, to the knowledge of Borrower, a fiduciary thereof, is engaged or has engaged in any transaction which is prohibited by Part 4 of Subtitle B of Title I of ERISA or which might subject any such plan or related trust, or any trustee or administrator thereof, to a tax or penalty imposed by Section 4975 of the Code or Section 502(i) of ERISA or to liability under Section 409 of ERISA, any of which would have a Material Adverse Effect. With respect to each Multiemployer Plan to which Borrower or a member of Borrower’s “controlled group” (as that term is defined in Section 414(b) or (c) of the Code) has any obligation to contribute, to the knowledge of Borrower, neither Borrower nor any Multiemployer Plan or a fiduciary thereof is engaged or has engaged in any transaction which is prohibited by Part 4 of Subtitle B of Title I of ERISA or which might subject Borrower to a tax or penalty imposed by Section 4975 of the Code or Section 502(i) of ERISA or to liability under Section 409 of ERISA, any of which would have a Material Adverse Effect.

8.10.4 Civil/Criminal Action. To the knowledge of Borrower, no civil or criminal action brought pursuant to Part 5 of Subtitle B of Title I of ERISA is pending, or, to the knowledge of Borrower, is threatened against Borrower, any Borrower Benefit Plan or any fiduciary thereof with respect to any Borrower Benefit Plan (except that these representations shall not be deemed to have been made subsequent to the Closing Date).

8.10.5 Funding. (a) Each Borrower Pension Plan is in compliance with the minimum funding standards of Section 412 of the Code and Part 3 of Subtitle B of Title I of ERISA, and (b) no waivers of the minimum funding standards have been requested, and no Borrower Pension Plan has any “accumulated funding deficiency” within the meaning of Section 412 of the Code.

8.10.6 Compliance With Law. To the knowledge of Borrower, Borrower is in compliance in all material respects with, and each Borrower Benefit Plan has been operated in all material respects in accordance with, the provisions of such plan and in compliance in all material respects with, ERISA, the Code and all other applicable law governing each such Borrower Benefit Plan, including but not limited to rules and regulations promulgated by the Department of Labor, the Pension Benefit Guaranty Corporation, and the Department of the Treasury pursuant to the provisions of ERISA and the Code, including without limitation, the bonding requirements of Section 412 of ERISA and the disclosure and reporting requirements of Part 1 of Subtitle B of Title I of ERISA, except to the extent any such failure would not have a Material Adverse Effect (except that these representations shall not be deemed to have been made subsequent to the Closing Date).

8.10.7 Multiple Employer Plan. As of the Closing Date, Borrower does not participate in any “multiple employer plan” within the meaning of Section 413 of the Code.

8.10.8 Plan Termination Liability; Multiemployer Plan Withdrawal Liability. (a) Borrower has not incurred any material liability under Title IV of ERISA arising in connection with the termination of, or complete or partial withdrawal from, any employee pension benefit plan (as defined in Section 3(2) of ERISA), covered or previously covered by Title IV of ERISA, which liability, or any portion thereof, will constitute a liability of Borrower at or after the Closing Date except to the extent that any such liability would not have a Material Adverse Effect, and (b) neither Borrower nor any member of Borrower’s “controlled group” as defined in Code Section 414(b), (c), (m), or (o) prior to the Closing Date has incurred any liability under Title IV of ERISA arising in connection with the complete or partial withdrawal from any Multiemployer Plan, which liability, or any portion thereof, will constitute a liability of Borrower at or after the Closing Date, except to the extent that any such liability would not have a Material Adverse Effect.

8.10.9 Pension Plan Termination. No proceedings to terminate any Borrower Pension Plan have been instituted under Subtitle C of Title IV of ERISA.

8.10.10 Reportable Event. To the knowledge of Borrower, no “reportable event” within the meaning of Section 4043 of ERISA and the regulations thereunder has occurred with respect to any Borrower Pension Plan (other than a Multiemployer Plan), other than a reportable event for which notice or penalty for noncompliance has been waived by regulation or otherwise. With respect to any Multiemployer Plan that is a defined benefit plan to which Borrower has any obligation to contribute, to the knowledge of Borrower, no such “reportable event” has occurred which would materially and adversely affect such plan, and, to the knowledge of Borrower, no such plan is in reorganization within the meaning of Part 3 of Subtitle E of Title IV of ERISA (except that the representations contained in this sentence shall not be deemed to have been made subsequent to the Closing Date).

8.10.11 Payment of Contributions. Except as disclosed in Exhibit 8.10, in respect of each Borrower Benefit Plan, Borrower has paid or will have paid or accrued as of the Closing Date (a) all contributions or premiums required to be made by it for all plan years ending on or prior to the Closing Date and, (b) for the plan year which includes the Closing Date, any contributions or premiums required to be made by it by the Closing Date under the terms of the Borrower Benefit Plan. Except as disclosed in Exhibit 8.10, Borrower is not, as of the Closing Date, obligated to pay any contributions or premiums to a Multiemployer Plan. Except as set forth in Exhibit 8.10 hereto, all contributions paid or accrued by Borrower on or prior to the Closing Date in respect of any Borrower Pension Plan that is a defined benefit plan have been based on the actuarial assumptions and methods used for the last plan year ended on or before the Closing Date, or if there is no prior plan year for any such plan, contributions have been based upon reasonable actuarial assumptions and methods.

8.10.12 Welfare Benefit Plans. As of the Closing Date, Borrower does not participate in a “multiple employer welfare arrangement” within the meaning of Section 3(40) of ERISA. Except as disclosed in Exhibit 8.10 hereto, Borrower does not, as of the Closing Date, maintain or contribute to a “voluntary employees’ beneficiary association” within the meaning of Section 501(c)(9) of the Code or a “welfare benefit fund” within the meaning of Section 419 of the Code, nor does Borrower maintain or contribute to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA for the benefit of retired or former employees (other than as required by Section 4980B of the Code and Sections 601 through 608 of ERISA (“**COBRA**”) or other applicable law). Borrower has complied in all material respects with the applicable provisions of COBRA with respect to the Borrower Benefit Plans.

8.11 Equity Investments. Borrower does not, as of the Closing Date, own any stock or other voting or equity interest, directly or indirectly, in any Person valued at the greater of book value or market value at \$5,000,000 or more, other than as set forth on Exhibit 8.11 hereto.

8.12 Title to Real and Personal Property. Borrower and each Subsidiary (a) have all real and personal property necessary for the conduct of their respective business, and (b) have good and marketable title to, or valid leasehold interests in, all of their material properties and assets, real and personal, including, as of the Closing Date, the properties and assets and leasehold interests reflected in the financial statements of the Borrower and its Subsidiaries referred to in Section 8.13 hereof, except (i) any properties or assets disposed of in the ordinary course of business, (ii) rights of way, easements, and similar interests in real property or defects in title which in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (iii) Permitted Encumbrances; and none of the properties of Borrower or any Subsidiary are subject to any Lien, except Permitted Encumbrances. All such property is in good operating condition and repair, reasonable wear and tear excepted, and suitable in all material respects for the purposes for which it is being utilized except where their

failure to be in good operating condition could not reasonably be expected to result in a Material Adverse Effect. All of the leases of Borrower and each Subsidiary which constitute Material Agreements are in full force and effect and afford Borrower or such Subsidiary peaceful and undisturbed possession of the subject matter thereof.

8.13 Financial Statements. The consolidated balance sheets of Borrower and its Subsidiaries for the Fiscal Quarter ended July 1, 2006, and the related consolidated statements of operations, cash flows and consolidated statements of capital shares and equities for the Fiscal Quarter then ended, and the accompanying footnotes, copies of which have been furnished to the Administrative Agent and the Syndication Parties, fairly present in all material respects the consolidated financial condition of Borrower and its Subsidiaries as at such dates and the results of the consolidated operations of Borrower and its Subsidiaries for the periods covered by such statements, all in accordance with GAAP. Between July 1, 2006 and the Closing Date, there has been no material adverse change in the financial condition, results of operations, or business of Borrower or any of its Subsidiaries taken as a whole. As of the Closing Date, there are no liabilities of Borrower or any of its Subsidiaries, fixed or contingent, which are material but are not reflected in the financial statements of Borrower and its Subsidiaries referred to above or referred to in the notes thereto, other than liabilities arising in the ordinary course of business since July 1, 2006 or referred to in periodic filings of Borrower with the Securities and Exchange Commission subsequent to July 1, 2006 but prior to the Closing Date, copies of which have been provided to the Administrative Agent by Borrower. No information, exhibit, or report furnished by Borrower or any of its Subsidiaries to the Administrative Agent and the Syndication Parties in connection with Borrower's application for the Revolving Loans and the negotiation of this Credit Agreement contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not materially misleading in light of the circumstances in which they were made and taken together with the other information, exhibits and reports furnished to the Administrative Agent and the Syndication Parties.

8.14 Environmental Compliance. Except as set forth on Exhibit 8.14 hereto, Borrower and each Subsidiary have obtained all permits, licenses and other authorizations which are required under all applicable Environmental Laws, except to the extent failure to have any such permit, license or authorization could not reasonably be expected to result in a Material Adverse Effect. Except as set forth on Exhibit 8.14 hereto, Borrower and each Subsidiary are in compliance with all Environmental Laws and the terms and conditions of the required permits, licenses and authorizations, and are also in compliance with all other limitations, restrictions, obligations, schedules and timetables contained in those Laws or contained in any plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent, in each case, failure to comply has not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect.

8.15 Fiscal Year. Each fiscal year of Borrower is a year (a) ending on the Saturday closest to September 30 in each calendar year, regardless of whether such Saturday occurs in September or October of any calendar year and (b) beginning on the day immediately following the end of the preceding Fiscal Year.

8.16 Material Agreements. The periodic reports of Borrower filed with the Securities and Exchange Commission, copies of which have been provided to the Administrative Agent by Borrower, and/or Exhibit 8.16 hereto list each Material Agreement of the Borrower and each Subsidiary as of the Closing Date. Borrower is not in default under any of its Material Agreements, nor, to Borrower's knowledge, (a) is any other party to any of Borrower's Material Agreements in default thereunder, or (b) do any facts exist which with the giving of notice or the passage of time, or both, would constitute such a default by any party to any of Borrower's Material Agreement.

8.17 Regulations U and X. No portion of any Advance will be used for the purpose of purchasing, carrying, or making loans to finance the purchase of, any "margin security" or "margin stock" as such terms are used in Regulations U or X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224, including the purchase of the Gold Kist Stock, unless Borrower completes and provides to the Administrative Agent, Federal Reserve Board forms U-I and/or G-3, if requested to do so by the Administrative Agent or any Syndication Party.

8.18 Trademarks, Tradenames. Borrower and each Subsidiary have ownership or the lawful right to use all tradenames, trademarks, patents, and other intellectual property which they utilizes in their business as presently being conducted and as anticipated to be conducted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

8.19 No Default on Outstanding Judgments or Orders. Borrower and each Subsidiary have satisfied all final and non-appealable judgments and Borrower and each Subsidiary are not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court, arbitrator or federal, state, municipal or other Governmental Authority, commission, board, bureau, agency or instrumentality, domestic or foreign, except to the extent such failure to satisfy any or all such final and non-appealable judgments or to be in such a default has not resulted in, and could not reasonably be expected to result in, a Material Adverse Effect.

8.20 No Default in Other Agreements. Neither Borrower nor any Subsidiary is in default in any respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument where such failure to perform, observe or fulfill has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

8.21 Labor Matters; Labor Agreements. Except as set forth in Exhibit 8.21 hereof: (a) As of the Closing Date, there are no collective bargaining agreements or other labor agreements covering any employees of Borrower or any Subsidiary the termination, cessation, or breach of which could reasonably be expected to result in a Material Adverse Effect, and a true and correct copy of each such agreement will be furnished to the Administrative Agent upon its written request from time to time.

(b) There is no organizing activity involving Borrower or any Subsidiary pending or, to Borrower's knowledge, threatened by any labor union or group of employees. (c) There are, to Borrower's knowledge, no representation proceedings pending or threatened with the National Labor Relations Board, and no labor organization or group of employees of Borrower or any Subsidiary has made a pending demand for recognition. (d) There are no complaints or charges against Borrower or any Subsidiary pending or, to Borrower's knowledge threatened to be filed with any federal, state, local or foreign court, governmental agency or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by Borrower or any Subsidiary of any individual. (e) There are no strikes or other labor disputes against Borrower or any Subsidiary that are pending or, to Borrower's knowledge, threatened. (f) Hours worked by and payment made to employees of Borrower or any Subsidiary have not been in violation of the Fair Labor Standards Act (29 U.S.C. § 201 et seq.) or any other applicable law dealing with such matters. The representations made in subparagraphs (b) through (f) of this Section are made with respect to those occurrences described which could, considered in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.22 Governmental Regulation. Neither Borrower nor any Subsidiary is subject to regulation under the Public Utility Holding Company Act of 1935, the Investment Company Act of 1940, the Interstate Commerce Act, the Federal Power Act or any statute or regulation, in each case, limiting its ability to incur indebtedness for money borrowed as contemplated hereby.

8.23 Borrower Information. To the best of Borrower's knowledge, the information contained in, and all attachments to, the materials presented by Borrower at the bank group meeting on August 29, 2006 were, as of such date, and are as of the Closing Date, accurate, true, correct, and complete in all material respects, and not misleading in any material respect.

8.24 Financial Projections. The Financial Projections provided to the Administrative Agent and the Syndication Parties with respect to Borrower and its Subsidiaries fairly present, as of the Effective Date, in all material respects the projected operations, financial condition, assets and liabilities as of the dates covered thereby. To Borrower's knowledge, no undisclosed facts existed at the time of submission of the Financial Projections which, if taken into account, would have resulted in any material change in any of the Financial Projections. The Financial Projections were, at the time of submission, based upon reasonable estimates and assumptions, all of which were fair in light of then-current conditions, were prepared on the basis of the assumptions stated therein, and reflected the reasonable estimate of Borrower of the results of operations and other information projected therein. Nothing in this Section shall be deemed to constitute an assurance by Borrower that it will meet the results contained in the Financial Projections.

8.25 Solvency. After giving effect to the consummation of each Loan to be made under this Agreement as of the time this representation is given, Borrower (a) will be able to pay its debts as they become due, (b) will have funds and capital sufficient to

carry on its business and all businesses in which it is about to engage, and (c) will own property in the aggregate having a value both at fair valuation and at fair saleable value in the ordinary course of Borrower's business greater than the amount required to pay its Debt, including for this purpose unliquidated, contingent, and disputed claims.

8.26 Anti-Terrorism Laws.

8.26.1 Violation of Law. Neither the Borrower nor, to the knowledge of Borrower, any of its Subsidiaries, is in violation of any laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 ("**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

8.26.2 Classification. Neither Borrower nor, to the knowledge of Borrower, any of its Subsidiaries, or their respective brokers or other agents acting or benefiting in any capacity in connection with the Loans, is any of the following:

(a) a Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a Person or entity owned or controlled by, or acting for or on behalf of, any Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(c) a Person or entity with which any Syndication Party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(d) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(e) a Person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list.

8.26.3 Conduct of Business. Neither Borrower nor to the knowledge of Borrower, any of its brokers or other agents acting in any capacity in connection with the Loans (a) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in clause (b) of Subsection 8.26.2 above, (b) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (c) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

8.27 Disclosure. The representations and warranties contained in this Article 8 and in the other Loan Documents and in any financial statements provided to the Administrative Agent do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such representations or warranties not misleading; and all projections provided to the Administrative Agent were prepared in good faith based on reasonable assumptions.

ARTICLE 9. CONDITIONS TO CLOSING AND TO ADVANCES

9.1 Conditions to Closing. The obligation of the Syndication Parties to make the initial Advance hereunder is subject to satisfaction, in the sole discretion of the Administrative Agent and the Syndication Parties, of each of the following conditions precedent:

9.1.1 Loan and Amendment Documents; Possession of Collateral; and Pilgrim Guaranty. The Administrative Agent shall have received: (a) duly executed originals of this Credit Agreement, the Amendment Documents, the Security Documents, and the other Loan Documents (other than the GK Security Documents); and (b) the Pilgrim Guaranty duly executed by Pilgrim Ltd. (or, at the Administrative Agent's election, an amendment to the Pilgrim Guaranty).

9.1.2 Approvals. The Administrative Agent shall have received evidence satisfactory to it that all consents and approvals of governmental authorities and third parties which are with respect to Borrower necessary for, or required as a condition of the validity and enforceability of, the Loan Documents to which it is a party.

9.1.3 Organizational Documents. The Administrative Agent shall have received the following, dated no more than thirty (30) days prior to the Closing Date: (a) good standing certificate (or comparable), for Borrower for its state of incorporation and the states of Arkansas, Texas, Louisiana, Tennessee, and Kentucky; (b) a copy of the certificate of incorporation of Borrower certified by the Secretary of State (or comparable office) of the state of Delaware; and (c) a copy of the bylaws of Borrower, certified as true and complete by the Secretary or Assistant Secretary of Borrower.

9.1.4 Evidence of Insurance. Borrower shall have provided the Administrative Agent with insurance certificates and such other evidence, in form and substance satisfactory to the Administrative Agent, of all insurance required to be maintained by it under the Loan Documents.

9.1.5 Appointment of Agent for Service. The Administrative Agent shall have received evidence satisfactory to the Administrative Agent (which, unless the Administrative Agent specifically advised Borrower to the contrary, shall include any such evidence provided in connection with the 2004 Credit Agreement, unless such evidence has been subsequently rescinded or terminated) that Borrower has appointed a Person with offices in Denver, Colorado and otherwise reasonably acceptable to the Administrative Agent to serve as its agent for service of process, and that said Person has accepted such appointment by Borrower.

9.1.6 No Material Change. No change shall have occurred in the condition or operations of Borrower or any Subsidiary since July 1, 2006 which, when considered in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

9.1.7 Fees and Expenses. Borrower shall have paid the Administrative Agent, by wire transfer of immediately available federal funds all fees set forth in the Fee Letter between CoBank and Borrower dated August 23, 2006 ("**Fee Letter**") and the Mandate Letter between CoBank, Agriland, and Borrower dated August 23, 2006 and Summary of Terms and Conditions attached thereto (collectively "**Commitment Letter**"), and any other fees owing to the Administrative Agent which are due on the Closing Date, and all expenses owing as of the Closing Date pursuant to Section 15.1 hereof and for which Borrower has received an invoice.

9.1.8 Evidence of Corporate Action. The Administrative Agent shall have received in form and substance satisfactory to the Administrative Agent (a) documents, certified to be true and correct by the Secretary or Assistant Secretary of Borrower, evidencing all corporate action taken by Borrower to authorize (including the specific names and titles of the persons authorized to so act (each an "**Authorized Officer**")) the execution, delivery and performance of the Loan Documents to which it is a party; and (b) a certificate of the Secretary or Assistant Secretary of Borrower, dated the Closing Date, certifying the names and true signatures of the Authorized Officers.

9.1.9 Opinion of Counsel. Borrower shall have provided a favorable opinion of its counsel addressed to the Administrative Agent and each of the present and future Syndication Parties, covering such matters as the Administrative Agent may reasonably require, including, without limitation, due incorporation, authorization and execution, enforceability, usury, and the effect of the Amendment Documents on the real and personal property liens on the Collateral in all relevant jurisdiction, fees, taxes and qualification requirements.

9.1.10 Financial Projections. Borrower shall have provided to the Administrative Agent financial projections for the five (5) Fiscal Years, commencing with the Fiscal Year during which the Closing Date falls, acceptable to the Administrative Agent.

9.1.11 Further Assurances. Borrower shall have provided and/or executed and delivered to the Administrative Agent such further assignments, documents or financing statements, in form and substance satisfactory to the Administrative Agent, that Borrower is to execute and/or deliver pursuant to the terms of the Loan Documents or as the Administrative Agent may reasonably request.

9.2 Borrowing Notice; Funding Notice. Borrower shall give the Administrative Agent prior written notice by facsimile (effective upon receipt):

9.2.1 Revolving Loan. With respect to each request for a Revolving Advance under the Revolving Loan: (a) in the case of a Base Rate Loan, on or before 11:00 A.M. (Central time) on the day of making such Base Rate Loan, and (b) in the case of a LIBO Rate Loan, on or before 11:00 A.M. (Central time) at least three (3) Banking Days prior to the date of making such LIBO Rate Loan. Each notice must be in substantially the form of Exhibit 9.2A hereto (“**Revolving Borrowing Notice**”) and must specify (c) the amount of such Advance, (d) the proposed date of making such Advance, (e) whether Borrower requests that the Advance will bear interest at (i) the Base Rate or (ii) the LIBO Rate, and (f) in the case of a LIBO Rate Loan, the initial LIBO Rate Period applicable thereto.

9.2.2 Term Loan. With respect to the request for a Term Advance under the Term Loan, on or before 11:00 A.M. (Central time) at least three (3) Banking Days prior to the date of making such Term Advance. Each notice must be in substantially the form of Exhibit 9.2B hereto (“**Term Borrowing Notice**”) and must specify (a) the amount of such Advance; and (b) the proposed date of making such Advance.

9.2.3 Funding Notice and Funding. The Administrative Agent shall, on or before 12:00 noon (Central time) of the same Banking Day, notify each Syndication Party (“**Funding Notice**”) of its receipt of each such Borrowing Notice and the amount of such Syndication Party’s Funding Share thereunder. Not later than 2:00 P.M. (Central time) on the date of an Advance, each Syndication Party will make available to the Administrative Agent at the Administrative Agent’s Office, in immediately available funds, such Syndication Party’s Funding Share of such Advance. After the Administrative Agent’s receipt of such funds, but not later than 3:00 P.M. (Central time), and upon fulfillment of the applicable conditions set forth in Article 9 hereof, the Administrative Agent will make such Advance available to Borrower, in immediately available funds, and will transmit such funds by wire transfer to Borrower’s Account.

9.3 Conditions to Advance. The Syndication Parties’ obligation to fund each Advance is subject to (a) receipt of a properly completed Borrowing Notice, and (b) the satisfaction, in the sole discretion of the Administrative Agent and the Syndication Parties, of each of the following conditions precedent, in addition to those set forth in Sections 9.1 and 9.2 hereof, and each request by Borrower for an Advance shall constitute a representation by Borrower, upon which the Administrative Agent and Syndication Parties may rely, that the conditions set forth in this Section have been satisfied and that the amount of the Advance does not exceed the limits set forth in Section 2.1 hereof:

9.3.1 Default. As of the Advance Date no Event of Default or Potential Default shall have occurred and be continuing, and the disbursing of the amount of the Advance requested shall not result in an Event of Default or Potential Default.

9.3.2 Availability Period. The Borrowing Notice does not specify an Advance Date which is later than the last Banking Day of the Availability Period.

9.3.3 Representations and Warranties; Fees and Expenses. The representations and warranties of Borrower herein shall be true and correct in all material respects on and as of the date on which the Advance is to be made as though made on such date. Borrower shall have paid the Administrative Agent, by wire transfer of immediately available U.S. funds all fees set forth in Section 4.5 hereof and in the Fee Letter and the Commitment Letter, in each case executed by CoBank and Borrower, which are then due and payable, including all expenses owing as of the Advance Date pursuant to Section 15.1 hereof for which Borrower has received an invoice.

9.3.4 No Material Change. No change shall have occurred in the condition or operations of Borrower or any Subsidiary since the date of the financial statements (quarterly or annual, as applicable) most recently provided by Borrower to the Administrative Agent pursuant to Subsection 10.2.1 or 10.2.2 hereof, as applicable, (or the comparable provisions of the 2004 Credit Agreement) which, when considered in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

9.3.5 Advance for Acquisition of Gold Kist Stock. No Advance may be requested for the purpose of funding any purchase of Gold Kist Stock unless and until Borrower satisfies each of the following:

(a) Borrower has (or simultaneous with the Advance will have) acquired and/or has enforceable agreements from the holders thereof to sell to Borrower, more than 50% of the Gold Kist Stock.

(b) Borrower provides to the Administrative Agent such proof as the Administrative Agent may reasonably require (i) that Borrower's acquisition of the Gold Kist Stock has been approved by the U.S. Department of Justice and, if required by applicable law, by the U.S. Federal Trade Commission or other relevant federal agency; or (ii) that such approval as described in clause (i) above is not required.

(c) Borrower provides to the Administrative Agent a written certificate from Borrower's Chief Financial Officer certifying : (i) to the aggregate purchase price paid for the acquisition of the relevant Gold Kist Stock and the number of shares acquired, and (ii) that Borrower has (or simultaneous with the Advance will have) acquired and/or has enforceable agreements from the holders thereof to sell to Borrower, more than 50% of the Gold Kist Stock.

(d) Borrower provides or makes available to the Administrative Agent financial statements of Gold Kist to support the valuation of GK Fixed Assets for inclusion in the Available Amount, as provided in Section 1.12 hereof.

(e) Borrower complies with the requirements of Section 10.19 hereof with respect to all shares of Gold Kist Stock purchased by Borrower as reflected on the certificate required by clause (b) of this Subsection 9.3.5; provided that compliance with this clause (d) may be postponed for up to ten (10) Banking Days to the extent that Borrower is unable to comply with such requirements on the date of such Advance.

9.4 Limitation on LIBO Rate Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of the LIBO Rate for any LIBO Rate Period:

(a) The Administrative Agent determines (which determination shall be conclusive) that quotations of interest rates in the definition of LIBO Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for LIBO Rate Loans as provided in this Credit Agreement; or

(b) any Syndication Party determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of LIBO Rate upon the basis of which the rate of interest for LIBO Rate Loans for such LIBO Rate Period is to be determined do not adequately cover the cost to such Syndication Party of making or maintaining such LIBO Rate Loans for such LIBO Rate Period;

then the Administrative Agent shall give Borrower prompt notice thereof, and so long as such condition remains in effect, in the case of clause (a) above, the Syndication Parties, and in the case of clause (b) above, the Syndication Party that makes the determination, shall be under no obligation to make LIBO Rate Loans, convert Base Rate Loans into LIBO Rate Loans, or continue LIBO Rate Loans, and Borrower shall, on the last day(s) of the then current applicable LIBO Rate Period(s) for the outstanding LIBO Rate Loans, either prepay such LIBO Rate Loans or convert such LIBO Rate Loans into a Base Rate Loan in accordance with Subsection 4.1.1 hereof. In addition to the foregoing, in the event a determination is made under clause (b) above, Borrower shall have the right, but not the obligation, upon written notice to the Administrative Agent, on or before 10:00 A.M. (Central time) on or before ten (10) Banking Days following receipt of notice from the Administrative Agent of such condition, to reduce the Individual Commitment of such Syndication Party to zero upon making a prepayment, to be treated as a Voluntary Prepayment to the extent not inconsistent with the provisions of this Section, equal to the amount of such Syndication Party's Individual Outstanding Obligations plus any Funding Losses attributed to the portion of such payment applied to LIBO Rate Loans as provided below. In the event Borrower makes such an election, then a reduction in a dollar amount corresponding to such reduction in Individual Commitment shall be made to the Aggregate Commitment, Revolving Commitment, and Term Commitment, as the case may be, and, notwithstanding any provisions of this Credit Agreement to the contrary, including, without limitation, Sections 2.8 and 3.8, the amount of such prepayment shall be applied to outstanding LIBO Rate Loans to the extent of such Syndication Party's Pro Rata Share thereof and, along with the amount paid on account of such Funding Losses, distributed to the Syndication Party making such determination and as to which Borrower has made such election. Notwithstanding any other provisions in this Section to the contrary, Borrower shall not be obligated to pay any Prepayment Fee in connection with any Mandatory Prepayment of the Fixed Rate Tranche of the Term Loan made in connection with the provisions of this Section 9.4.

9.5 Illegality of Loan. Notwithstanding any other provision of this Credit Agreement, in the event that it becomes unlawful for any Syndication Party or its Applicable Lending Office to honor its obligation to make or maintain LIBO Rate Loans hereunder or convert Base Rate Loans into LIBO Rate Loans, then such Syndication Party shall promptly notify the Administrative Agent and Borrower thereof and such Syndication Party's obligation to make or continue, or to convert Base Rate Loans into, LIBO Rate Loans shall be suspended until such time as such Syndication Party may again make and maintain LIBO Rate Loans (in which case the provisions of Section 9.6 hereof shall be applicable) and, unless and until Borrower exercises the rights granted in the next sentence, such Syndication Party's Individual Pro Rata Share, of all Loans and all subsequent Advances shall be made as Base Rate Loans (and such Syndication Party's share of interest payments shall reflect the foregoing), in each case, until such time as such Syndication Party may again make and maintain LIBO Rate Loans (in which case the provisions of Section 9.6 hereof shall be applicable). In the event a such a notification is made, Borrower shall have the right, but not the obligation, upon written notice to the Administrative Agent, on or before 10:00 A.M. (Central time) on or before ten (10) Banking Days following receipt of notice from such Syndication Party, to reduce the Individual Commitment of such Syndication Party to zero upon making a prepayment, to be treated as a Voluntary repayment to the extent not inconsistent with the provisions of this Section, equal to the amount of such Syndication Party's Individual Outstanding Obligations plus any Funding Losses attributed to the portion of such payment applied to LIBO Rate Loans as provided below. In the event Borrower makes such an election, then a reduction in a dollar amount corresponding to such reduction in Individual Commitment shall be made to the Aggregate Commitment, Revolving Commitment, and Term Commitment, and, notwithstanding any provisions of this Credit Agreement to the contrary, including, without limitation, Sections 2.8 and 3.8, the amount of such prepayment shall be applied to outstanding LIBO Rate Loans to the extent of such Syndication Party's Pro Rata Share thereof and, along with the amount paid on account of such Funding Losses, distributed to the Syndication Party making such determination and as to which Borrower has made such election. Notwithstanding any other provisions in this Section to the contrary, Borrower shall not be obligated to pay any Prepayment Fee in connection with any Mandatory Prepayment of the Fixed Rate Tranche of the Term Loan made in connection with the provisions of this Section 9.5.

9.6 Treatment of Affected Loans. If the obligations of any Syndication Party to make or continue LIBO Rate Loans, or to convert Base Rate Loans into LIBO Rate Loans, are suspended pursuant to Section 9.4 or 9.5 hereof (all LIBO Rate Loans so affected being herein called "**Affected Loans**"), such Syndication Party's Affected Loans shall be automatically converted into Base Rate Loans on the last day(s) of the then current LIBO Rate Period(s) for the Affected Loans (or, in the case of a conversion required by Section 9.4 or 9.5, on such earlier date as such Syndication Party may specify to Borrower). To the extent that such Syndication Party's Affected Loans have been so converted, all payments and prepayments of principal which would otherwise

be applied to such Syndication Party's Affected Loans shall be applied instead to its Base Rate Loans. All Advances which would otherwise be made or continued by such Syndication Party as LIBO Rate Loans shall be made or continued instead as Base Rate Loans, and all Base Rate Loans of such Syndication Party which would otherwise be converted into LIBO Rate Loans shall remain as Base Rate Loans.

ARTICLE 10. AFFIRMATIVE COVENANTS

From and after the date of this Credit Agreement and until the Bank Debt is indefeasibly paid in full and the Syndication Parties have no obligation to make an Advance, Borrower agrees that it will observe and comply with the following covenants for the benefit of the Administrative Agent and Syndication Parties:

10.1 Books and Records. Borrower shall at all times keep, and cause each Subsidiary to keep, proper books of record and account, in which correct and complete entries shall be made of all its dealings, in accordance with GAAP.

10.2 Reports and Notices. Borrower shall provide to the Administrative Agent the following reports, information and notices:

10.2.1 Annual Financial Statements. As soon as available, but in no event later than ninety (90) days after the end of any Fiscal Year of Borrower occurring during the term hereof one copy of the audit report for such year and accompanying consolidated financial statements (including all footnotes thereto), including a consolidated balance sheet, a consolidated statement of earnings, a consolidated statement of capital, and a consolidated statement of cash flow for the Borrower and its Subsidiaries, showing in comparative form the figures for the previous Fiscal Year, all in reasonable detail, prepared in conformance with GAAP consistently applied and certified without qualification by Ernst & Young, LLP, or other independent public accountants of nationally recognized standing selected by the Borrower and reasonably satisfactory to the Administrative Agent, and to be accompanied by a copy of any management letter of such accountants addressed to and received by the board of directors of Borrower related to such annual audit and annual financial statements. Such annual financial statements required pursuant to this Subsection shall be accompanied by a Compliance Certificate signed by Borrower's Chief Financial Officer.

10.2.2 Quarterly Financial Statements. As soon as available but in no event more than forty-five (45) days after the end of each Fiscal Quarter (excluding the last Fiscal Quarter of Borrower's Fiscal Year) the following financial statements or other information concerning the operations of Borrower and its Subsidiaries for such Fiscal Quarter, the Fiscal Year to date, and for the corresponding periods of the preceding Fiscal Year, all prepared in accordance with GAAP consistently applied: (a) a consolidated balance sheet, (b) a consolidated summary of earnings, (c) a consolidated statement of cash flows, and (d) such other statements as the Administrative Agent may reasonably request. Such quarterly financial statements required pursuant to this Subsection shall be accompanied by a Compliance Certificate signed by Borrower's Chief Financial Officer or other officer of Borrower acceptable to the Administrative Agent (subject to normal year end adjustments).

10.2.3 Notice of Default. As soon as the existence of any Event of Default or Potential Default becomes known to any officer of Borrower, prompt written notice of such Event of Default or Potential Default, the nature and status thereof, and the action being taken or proposed to be taken with respect thereto.

10.2.4 ERISA Reports. As soon as possible and in any event within twenty (20) days after Borrower or any Subsidiary knows or has reason to know that any Reportable Event (for which notice is not waived under ERISA or by regulation) or Prohibited Transaction (for which a statutory, class, or individual exemption has not been obtained) has occurred with respect to any Plan or that the Pension Benefit Guaranty Corporation or Borrower or any Subsidiary has instituted or will institute proceedings under Title IV of ERISA to terminate any Plan, or that Borrower, any Subsidiary or any ERISA Affiliate has completely or partially withdrawn from a Multiemployer Plan, or that a Plan which is a Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), is insolvent (within the meaning of Section 4245 of ERISA) or is terminating, a certificate of the Chief Financial Officer of Borrower or such Subsidiary setting forth details as to such Reportable Event or Prohibited Transaction or Plan termination or withdrawal or reorganization or insolvency and the action Borrower or such Subsidiary proposes to take with respect thereto, provided, however, that notwithstanding the foregoing, no reporting is required under this Subsection unless the matter(s), individually or in the aggregate, result, or could be reasonably expected to result, in aggregate obligations or liabilities of Borrower and/or the Subsidiaries in excess of ten million dollars (\$10,000,000.00) (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock).

10.2.5 Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits, arbitration and any other proceedings before any Governmental Authority, affecting Borrower or any Subsidiary which, if determined adversely to Borrower or any Subsidiary, could reasonably be expected to require Borrower or any Subsidiary to have to pay or deliver assets having a value of ten million dollars (\$10,000,000.00) (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) or more (whether or not the claim is covered by insurance) or could reasonably be expected to result in a Material Adverse Effect.

10.2.6 Notice of Material Adverse Effect. Promptly after Borrower obtains knowledge thereof, notice of any matter which, alone or when considered together with other matters, has resulted or could reasonably be expected to result in, a Material Adverse Effect.

10.2.7 Notice of Environmental Proceedings. Without limiting the provisions of Subsection 10.2.5 hereof, promptly after Borrower's receipt thereof, notice of the receipt of all pleadings, orders, complaints, indictments, or other

communication alleging a condition that may require Borrower or any Subsidiary to undertake or to contribute to a cleanup or other response under Environmental Regulations, or which seeks penalties, damages, injunctive relief, or criminal sanctions related to alleged violations of such laws, or which claims personal injury or property damage to any person as a result of environmental factors or conditions or which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

10.2.8 Regulatory and Other Notices. Promptly after Borrower's receipt thereof, copies of any notices or other communications received from any Governmental Authority with respect to any matter or proceeding the effect of which could reasonably be expected to have a Material Adverse Effect.

10.2.9 Adverse Action Regarding Required Licenses. As soon as Borrower learns that any petition, action, investigation, notice of violation or apparent liability, notice of forfeiture, order to show cause, complaint or proceeding is pending, or, to the best of Borrower's knowledge, threatened, to seek to revoke, cancel, suspend, modify, or limit any of the Required Licenses, prompt written notice thereof and Borrower shall contest any such action in a Good Faith Contest.

10.2.10 Notice of Certain Changes. Borrower shall: (a) notify the Administrative Agent at least ten (10) Banking Days prior to the occurrence of any change in the name or business form of Borrower; and (b) take all actions necessary or reasonably requested by Agent in order to maintain the perfected status of the first lien and security interest of Agent and the Syndication Parties (subject only to Permitted Encumbrances) in the Collateral.

10.2.11 Available Amount Reports. Borrower shall provide to the Administrative Agent a report in the form of Exhibit 10.2.11 attached hereto ("**Available Amount Report**") on each of the following dates (the appropriate date in each case being the "**Available Amount Report Deadline**"): (a) no later than five (5) Banking Days prior to the date of the initial Revolving Advance or Term Advance, whichever is earlier, effective as of the last day of the Fiscal Quarter immediately preceding the Closing Date; (b) on the Control Acquisition Date, effective as of such date and giving effect to the amount allowed pursuant to clause (b)(ii)(A) of Section 1.12 hereof; (c) to reflect the addition to the Available Amount determination of any Additional Property with respect to which each of the applicable requirements contained in Section 10.18 hereof have been fully met to the satisfaction of the Administrative Agent; and (d) to reflect the addition for the Available Amount determination of the GK Fixed Assets with respect to which each of the applicable requirements contained in Section 10.21 hereof have been fully met to the reasonable satisfaction of the Administrative Agent on or before the GK Lien Date. In addition, any time that, in connection with a Pari Passu Loan, Borrower requests the Administrative Agent to execute an Intercreditor Agreement, Borrower shall provide to the Administrative Agent an endorsement to the Title Policy increasing the amount of insurance provided thereby (or a new Title Policy in the full amount, including any such increase) if the following two conditions have occurred: (w) the maximum amount available under such Pari Passu Loan, together with the maximum amounts available

under all Pari Passu Loans entered into since the most recent increase in the amount of the Title Policy, is equal to or greater than \$25,000,000.00, and (x) Borrower has, since the most recent increase in the amount of the Title Policy, provided to the Administrative Agent one or more Available Amount Reports which, in the aggregate, reflect an increase in the Appraised Value of the real estate (including any structures or other improvements thereon, other than equipment) included in the Collateral in an amount equal to or greater than \$25,000,000.00. In the event an increase in the amount of insurance available under the Title Policy is required pursuant to the preceding sentence, the amount of such increase shall be the amount of the aggregate increase in Appraised Value; provided that in no event shall Borrower be required to increase the amount of insurance provided under the Title Policy to the extent it would result in the amount thereof being an amount in excess of (y) during the Revolving Availability Period, the Aggregate Commitment, or (z) at any time after the end of the Revolving Availability Period, the amount of Bank Debt owing. In the event the parcel or parcels of real estate with respect to which there has been an increase in Appraised Value are insured by separate Title Policies, the increase in insured amount required above need only be provided with respect to those Title Policies. Available Amount Reports shall also be provided as required by Section 10.15 and Subsection 14.5.6 hereof.

10.2.12 Appraisals. Borrower shall provide the Administrative Agent with Appraisals covering all interests required to be included within the Collateral: (a) no later than the Closing Date (other than with respect to the GK Collateral); and (b) as may be required in connection with Pari Passu Loans as provided herein. Appraisals shall also be provided as required by Sections 10.15 and 10.21 hereof, and may, at Borrower's option, be provided pursuant to the provisions of Section 10.18 hereof.

10.2.13 Filings and Reports. Promptly upon their becoming available, copies of all registration statements and regular periodic reports, if any, which Borrower shall have filed with the Securities and Exchange Commission or any governmental agency substituted therefor, or any national securities exchange, including copies of Borrower's form 10-K annual report, form 10-Q quarterly report and any Form 8-K report filed with the Securities and Exchange Commission.

10.2.14 Additional Information. With reasonable promptness, such other information respecting the condition or operations, financial or otherwise, of Borrower or any Subsidiary as any Syndication Party or the Administrative Agent may from time to time reasonably request.

10.3 Maintenance of Existence and Qualification. Borrower shall maintain its corporate existence in good standing under the laws of the State of Delaware. Borrower shall, and shall cause each Subsidiary to, qualify and remain qualified as a foreign corporation or other entity in each jurisdiction in which such qualification is necessary in view of its business, operations and properties except where the failure to so qualify has not and could not reasonably be expected to result in a Material Adverse Effect.

10.4 Compliance with Legal Requirements and Agreements. Borrower shall, and shall cause each Subsidiary to: (a) comply with all laws, rules, regulations and

orders applicable to Borrower (or such Subsidiary, as applicable) or its business unless such failure to comply is the subject of a Good Faith Contest; and (b) comply with all agreements, indentures, mortgages, and other instruments to which it (or any Subsidiary, as applicable) is a party or by which it or any of its (or any Subsidiary, or any of such Subsidiary's, as applicable) property is bound; provided, however, that the failure of Borrower to comply with this sentence in any instance not directly involving the Administrative Agent or a Syndication Party shall not constitute a Potential Default or an Event of Default unless such failure could reasonably be expected to result in a Material Adverse Effect.

10.5 Compliance with Environmental Laws. Without limiting the provisions of Section 10.4 of this Credit Agreement, Borrower shall, and shall cause Subsidiary to, comply in all material respects with, and take all reasonable steps necessary to cause all persons occupying or present on any properties owned or leased by Borrower (or any Subsidiary, as applicable) to comply with, all Environmental Regulations, the failure to comply with which could reasonably be expected to result in a Material Adverse Effect or unless such failure to comply is the subject of a Good Faith Contest.

10.6 Taxes. Borrower shall cause to be paid, and shall cause each Subsidiary to pay, when due all taxes, assessments, and other governmental charges upon it, its income, its sales, its properties (or upon Subsidiary and its income, sales, and properties, as applicable), and federal and state taxes withheld from its (or Subsidiary's, as applicable) employees' earnings, unless (a) the failure to pay such taxes, assessments, or other governmental charges could not reasonably be expected to result in a Material Adverse Effect, or (b) such taxes, assessments, or other governmental charges are the subject of a Good Faith Contest.

10.7 Insurance. Borrower shall, and shall cause each Subsidiary to, maintain insurance coverage by good and responsible insurance underwriters in such forms and amounts and against such risks and hazards as are customary for companies engaged in similar businesses and owning and operating similar properties, provided that Borrower and its Subsidiaries may self-insure for workmen's compensation, group health risks and their live chicken inventory in accordance with applicable industry standards. In any event, Borrower will insure any of the Collateral which is insurable against loss or damage by fire, theft, burglary, pilferage and loss in transit. In addition, to the extent that any real property interests which constitute a part of the Collateral lie within a designated flood plain, Borrower must provide flood insurance with respect to such real property interests. All such policies of insurance shall be issued by sound and reputable insurers that, at the time of issuance or renewal of such policies, are accorded a rating of A-XII or better by A.M. Best Company or A or better by Standard & Poor's Corporation or Moody's Investors Service, Inc. All liability policies shall name the Administrative Agent, for the benefit of the Syndication Parties, as additional insured as its interests may appear. All such insurance policies shall be endorsed with a mortgagee's or loss payable clause, as appropriate, in favor of the Administrative Agent, for the benefit of the Syndication Parties. Copies of the policy or policies evidencing all insurance referred to in this Section and receipts for the payment of premiums thereon or certificates of such insurance satisfactory to the Administrative

Agent shall be delivered to and held by the Administrative Agent. All such insurance policies shall contain a provision requiring at least ten (10) days' notice to the Administrative Agent prior to any cancellation for non-payment of premiums. Borrower shall give the Administrative Agent satisfactory written evidence of renewal or substitution of all such policies. Borrower agrees to pay, or cause to be paid, all premiums on such insurance as they become due, and will not permit any condition to exist on or with respect to its assets which would wholly or partially invalidate any insurance thereon. Borrower shall give immediate written notice to the insurance carrier and the Administrative Agent of any loss. Borrower hereby authorizes and empowers the Administrative Agent upon the occurrence and during the continuation of an Event of Default, at the Administrative Agent's option and in the Administrative Agent's sole discretion, to, in so far as affects the Collateral, act as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to collect and receive insurance proceeds, and to deduct therefrom the Administrative Agent's expenses incurred in the collection of such proceeds, and all insurance policies of Borrower shall provide that the Administrative Agent may act as Borrower's attorney-in-fact for such purposes.

10.8 Title to and Maintenance of Properties. Borrower shall defend and maintain title to, and shall maintain, keep and preserve, and cause each Subsidiary to maintain, keep and preserve, all of its material properties (tangible and intangible) necessary or used in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and shall cause to be made all repairs, renewals, replacements, betterments and improvements thereof, all as in the sole judgment of Borrower or such Subsidiary may be reasonably necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

10.9 Inspection. Borrower (a) shall permit, and cause its Subsidiaries to permit, the Administrative Agent or any Syndication Party or their agents, during normal business hours or at such other times as the parties may agree, to examine, and make copies of or abstracts from, Borrower's properties, books, and records, and to discuss Borrower's affairs, finances, operations, and accounts with its respective officers, directors, employees, and independent certified public accountants; and (b) shall permit the Administrative Agent to obtain periodic verification of the existence and condition, of the Collateral and Borrower shall reimburse the Administrative Agent for the reasonable costs incurred in connection with such verification, provided that so long as no Event of Default has occurred and is continuing, Borrower shall not be required to reimburse the Administrative Agent for costs incurred under this clause (b) with respect to more than one such verification in each Fiscal Year.

10.10 Required Licenses; Permits; Etc. Borrower shall duly and lawfully obtain and maintain in full force and effect, and shall cause its Subsidiaries to obtain and maintain in full force and effect, all Required Licenses as appropriate for the business being conducted and properties owned by Borrower or such Subsidiaries at any given time except where the failure to obtain or maintain such Required Licenses could not reasonably be expected to result in a Material Adverse Effect.

10.11 ERISA. Borrower shall (a) cause each Borrower Benefit Plan to comply in all material respects with the Code and ERISA; (b) cause any Borrower Benefit Plan that is intended to satisfy the requirements of Section 401(a) of the Code to satisfy such requirements in all material respects; (c) prepare and deliver each material report, statement or other document required by ERISA and the Code within the period specified therein and conforming in form and substance in all material respects to the provisions thereof; and (d) cause each Borrower Benefit Plan (other than a Multiemployer Plan) to be administered in all material respects in accordance with the terms of each such plan and with ERISA, the Code, and any other applicable law, except to the extent any failure to comply with the preceding clauses (a), (b) (c), or (d) would not have a Material Adverse Effect. Within ten (10) Banking Days after receiving such notice, Borrower shall furnish to Administrative Agent any written notice received by Borrower relating to an assertion of withdrawal liability imposed by any Multiemployer Plan upon Borrower or Borrower's controlled group, as defined in Code Section 414(b), (c), (m), or (o), or relating to any violation of the provisions of the Code or ERISA asserted by the Department of Labor, the Pension Benefit Guaranty Corporation or the Department of the Treasury with respect to any Borrower Benefit Plan that could reasonably be expected to have a Material Adverse Effect. Borrower shall notify the Administrative Agent within sixty (60) days after: (l) commencing participation in any "multiple employer plan" within the meaning of Section 413 of the Code; (m) commencing participation in a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA; or (n) establishing or becoming obligated to contribute to any employee "retiree health plan" within the meaning of Section 3(1) of ERISA for the benefit of retired or former employees (other than as required by Section 4980B of the Code and Sections 601 through 608 of ERISA ("COBRA") or other applicable law). Borrower shall notify the Administrative Agent within sixty (60) days after Borrower has knowledge of the occurrence of any fact or event which would make any of the representations contained in Subsections 8.10.2, 8.10.4, 8.10.6, or 8.10.10 hereof incorrect if such representations were made as of the date of such occurrence with respect to any Borrower Benefit Plan that is a Multiemployer Plan.

10.12 Financial Covenants. Borrower shall maintain the following financial covenants, measured on the consolidated results of Borrower and its Subsidiaries:

10.12.1 Leverage Ratio. A Leverage Ratio of not in excess of 0.65 at any time.

10.12.2 Tangible Net Worth. (a) At all times during the period from the Closing Date to the Control Acquisition Date, Tangible Net Worth of not less than an amount in any Fiscal Year of \$600,000,000.00 plus an amount equal to 50% of Borrower's Net Income (but not less than zero) during such Fiscal Year; (b) from and after the Control Acquisition Date, Tangible Net Worth of not less than an amount in any Fiscal Year of: (i) \$400,000,000.00, if goodwill attributable to Gold Kist (determined as provided by GAAP) for such Fiscal Year is \$450,000,000.00 or higher; (ii) \$450,000,000.00, if goodwill attributable to Gold Kist (determined as provided by GAAP) for such Fiscal Year is in excess of \$400,000,000.00 but less than

\$450,000,000.00; and (iii) \$500,000,000.00, if goodwill attributable to Gold Kist (determined as provided by GAAP) for such Fiscal Year, is \$400,000,000.00 or less plus an amount, in each case, equal to 50% of Borrower's net income (determined as provided by GAAP) (but not less than zero) during such Fiscal Year. The Tangible Net Worth targets set forth in clauses (b)(i), (b)(ii), and (b)(iii) shall be adjusted based on the mutual agreement of Borrower and the Administrative Agent in the event that the purchase price paid by Borrower to acquire the Gold Kist Stock varies in an amount in excess of five percent (5.0%) above or below \$20.00 per share (considered in the aggregate); provided that if the adjustment is on account of the purchase price being an amount in excess of five percent (5.0%) above \$20.00 per share, the adjustment must be approved by the Syndication Parties whose Individual Commitments constitute sixty seven percent (67%) of the Aggregate Commitment ("**Super Majority Lenders**").

10.12.3 Current Ratio. A Current Ratio measured as of the last day of each Fiscal Quarter of not less than 1.35 to 1.00.

10.12.4 Net Tangible Assets to Total Liabilities. (a) At all times during the period from the Closing Date to the Control Acquisition Date, a ratio of Net Tangible Assets to Total Liabilities measured as of the last day of each Fiscal Quarter of not less than 1.30 to 1.00; and (b) from and after the Control Acquisition Date, a ratio of Net Tangible Assets to Total Liabilities measured as of the last day of each Fiscal Quarter of not less than 1.125 to 1.00. The Net Tangible Assets to Total Liabilities target set forth in clause (b) above shall be adjusted based on the mutual agreement of Borrower, the Administrative Agent, and the Required Lenders in the event that the purchase price paid by Borrower to acquire the Gold Kist Stock varies in an amount in excess of five percent (5.0%) above or below \$20.00 per share (considered in the aggregate); provided that if the adjustment is on account of the purchase price being an amount in excess of five percent (5.0%) above \$20.00 per share, the adjustment must be approved by the Super Majority Lenders.

10.12.5 Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio over the most recent eight consecutive Fiscal Quarters, measured as of the last day of each Fiscal Quarter, of not less than 1.50 to 1.00.

10.12.6 Net Working Capital. (a) At all times during the period from the Closing Date to the Control Acquisition Date, Net Working Capital, measured as of the last day of each Fiscal Quarter of not less than \$85,000,000.00; and (b) from and after the Control Acquisition Date, Net Working Capital, measured as of the last day of each Fiscal Quarter of not less than \$250,000,000.00.

10.13 Appraised Property. No Available Amount Report will be based in any part on the Appraised Value of any real property, or improvements, fixtures, machinery or equipment located on any real property, not, in either case, described in the Security Documents executed, on or prior to the date of such Available Amount Report, by Borrower in connection with this Credit Agreement.

10.14 Title Insurance Endorsements. As soon as practical following the Effective Date, but in any event no later than thirty (30) days following the Effective Date, Borrower shall provide to the Administrative Agent with respect to each Title Policy provided to the Administrative Agent in connection with the 2004 Credit Agreement (or its predecessors), either (a) new title policies issued by the Title Insurer which issued such Title Policy describing the mortgage or deed of trust insured thereunder ("**Mortgage**") as the Mortgage as amended by the appropriate Amendment Document and otherwise in substantially the same form as the Title Policy provided to the Administrative Agent in connection with the 2004 Credit Agreement (or its predecessors); or (b) for Texas properties a P9(3)(b) endorsement; or (c) for other properties an endorsement thereto issued by the Title Insurer which issued such Title Policy (i) describing the insured Mortgage as the Mortgage as amended by the appropriate Amendment Document, (ii) bringing down the effective date of such Title Policy to the Closing Date, and (iii) increasing the amount thereof to the amount set forth in the appropriate Amendment Document.

10.15 Production Cut-back: In the event that Borrower takes action which results in a Permanent Reduction of Production at any facility included in Borrower's most recent Available Amount Report ("**Shut Down**"), then Borrower shall give the Administrative Agent written notice thereof no later than thirty (30) days after taking such action and shall, at Borrower's option, either: (a) promptly arrange for an Appraisal of such facility based on such Permanent Reduction of Production and, no later than ninety (90) days after taking such action, furnish the Administrative Agent with a copy of such Appraisal and a revised Available Amount Report, properly adjusted to reflect the Appraised Value as shown in such Appraisal; or (b) no later than thirty (30) days after taking such action, furnish the Administrative Agent with a written request to (i) release its lien on such facility and (ii) remove such facility from the Available Amount. In the event Borrower elects to proceed under clause (b) of this Section, at the time the Administrative Agent releases its lien, on behalf of the Syndication Parties, on such facility, Borrower shall furnish the Administrative Agent with an Available Amount Report with the entire Appraised Value of such facility (as reflected in the most recent Appraisal thereof) removed from such Available Amount Report. In the event Borrower elects to proceed under clause (a) of this Section, but fails to provide to the Administrative Agent the Appraisal or the Available Amount Report within the time required by such clause, such facility shall be deemed to have been removed from the Available Amount Report (and therefore, from calculation of the Available Amount) until the Appraisal and revised Available Amount Report have been provided to the Administrative Agent. In the event Borrower elects to proceed under clause (b) of this Section, but the Required Lenders refuse to authorize the Administrative Agent to release the lien on such facility (or the Administrative Agent refuses to release such lien where it has the power to effect such release without Required Lender approval), (x) the Syndication Parties may, at their sole discretion and cost, obtain an Appraisal on such facility based upon such Permanent Reduction of Production ("**Lender Appraisal**"), in which case the Administrative Agent shall furnish a copy of such Lender Appraisal to Borrower when received and such facility shall thereafter be included in the Available Amount and all subsequent Available Amount Reports at the Appraised Value established by such Lender Appraisal; provided,

however, that until such Lender Appraisal has been obtained and furnished to Borrower, such facility will continue to be included in the Available Amount Report (and therefore, included in the calculation of the Available Amount) and all subsequent Available Amount Reports at the Appraised Value in effect prior to such Permanent Reduction of Production until a Lender Appraisal is obtained at the discretion of the Syndication Parties or an Appraisal is obtained pursuant to Subsection 10.2.12 hereof. Notwithstanding the foregoing, in the event the Syndication Parties elect to proceed under clause (x) of this Section, Borrower shall have the option to remove such facility from the Available Amount prior to the Syndication Parties obtaining the Lender Appraisal by providing the Administrative Agent with written notice of the exercise of such option and furnishing the Administrative Agent with an Available Amount Report with the entire Appraised Value of such facility (as reflected in the most recent Available Amount Report prior to such Permanent Reduction of Production) removed from such Available Amount Report. At the time of furnishing the Administrative Agent with a revised Available Amount Report, and, if required pursuant to clause (a) of this Section, a revised Appraisal, or in the event Borrower shall elect to proceed under clause (a) of this Section but shall fail to provide the Appraisal or the Appraised Value Report to the Administrative Agent within the time required, or at the time of the Syndication Parties furnishing a Lender Appraisal to Borrower pursuant to clause (x) of this Section, Borrower shall make the payment, if any, that would be required under Section 5.6(e) hereof if the aggregate outstanding principal balance owing under the Term Loan and the Revolving Loan (including the Converted Loans) exceeds the Available Amount as calculated pursuant to such Lender Appraisal or such revised Available Amount Report (or as calculated with the removal of such facility, if applicable).

10.16 Embargoed Person. At all times throughout the term of the Loans, (a) none of the funds or assets of Borrower that are used to repay the Loans shall constitute property of, or shall be beneficially owned directly or, to the knowledge of Borrower, indirectly by, any Person subject to sanctions or trade restrictions under United States law (“**Embargoed Person**” or “**Embargoed Persons**”) that is identified on (1) the “List of Specially Designated Nationals and Blocked Persons” (the “**SDN List**”) maintained by the Office of Foreign Assets Control (“**OFAC**”), U.S. Department of the Treasury, and/or to the knowledge of Borrower, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list (“**Other List**”) maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law, or the Loans made by the Syndication Parties would be in violation of law, or (2) the Executive Order, any related enabling legislation or any other similar Executive Orders, and (b) no Embargoed Person shall have any direct interest, and to the knowledge of Borrower, as of the date hereof, based upon reasonable inquiry by Borrower, indirect interest, of any nature whatsoever in Borrower, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law or the Loans are in violation of law.

10.17 Anti-Money Laundering. At all times throughout the term of the Loans, to the knowledge of Borrower, as of the date hereof, based upon reasonable inquiry by Borrower, none of the funds of Borrower, that are used to repay the Loans shall be derived from any unlawful activity, with the result that the investment in Borrower (whether directly or indirectly), is prohibited by law or the Loans would be in violation of law.

10.18 Additional Collateral. In addition to the GK Collateral, (a) Borrower may, at its discretion, execute and deliver a deed of trust or mortgage and assignment of leases and rents with respect to the property listed on Exhibit 10.18 attached hereto and any other property reasonably acceptable to the Administrative Agent (“**Additional Property**”), in form and substance satisfactory to the Administrative Agent, to the Administrative Agent or a mortgage trustee, in each case for the benefit of the Syndication Parties, granting a first lien of record on and a first security interest in the Additional Property, subject only to Permitted Encumbrances, and such Additional Property shall thereafter be part of the Collateral.

(b) Upon such time as Borrower, in addition to satisfying the requirements of clause (a) of this Section 10.18, shall, with respect to any such parcel of Additional Property, have provided to the Administrative Agent (i) a mortgagees’ title insurance policy (Standard Texas Mortgagees Policy Form with respect to Additional Property located in the State of Texas, and Standard ALTA form with respect to Additional Property located in states other than Texas) from an insurer acceptable to the Administrative Agent insuring the lien in favor of the Administrative Agent, on behalf of the Syndication Parties, as a first priority lien on each such parcel of Additional Property, subject only to Permitted Encumbrances, and (A) in such amount as the Administrative Agent shall require, (B) deleting the standard printed exceptions (including exceptions for mechanics liens and exceptions based on lack of adequate survey) and the gap exception, (C) containing only such exceptions to title as are reasonably acceptable to the Administrative Agent, (D) providing access coverage, and (E) containing such other endorsements as the Administrative Agent may reasonably require (but in any event including a revolving credit endorsement), (ii) a survey, which survey, the certifications thereon, and all information contained therein, shall be acceptable to the Administrative Agent, and shall contain a legal description and, except as specifically provided otherwise on Exhibit 10.18, shall, at a minimum, show the location of all structures, visible utilities, fences, hedges, or walls on the parcel and within 5 feet of all boundaries thereof, any conflicting boundary evidence or visible encroachments, and all easements, underground utilities, and tunnels for which properly recorded evidence is available; and (iii) an Appraisal, then such Additional Property shall be a part of the Collateral and shall be included in the Available Amount.

(c) Borrower may include in the Available Amount any leasehold interest in connection with any Additional Property where Borrower is a lessee under a recorded lease calling for a rental payment equal to or in excess of \$100,000.00 per annum, provided that Borrower provides to the Administrative Agent, (i) a leasehold mortgage or deed of trust substantially in form and substance satisfactory to the Administrative Agent, (ii) a Title Policy and survey satisfying the requirements set forth in clause (b)

of this Section 10.18 (modified as necessary to reflect a leasehold, rather than fee, interest), (iii) a lessor consent in form and content satisfactory to the Administrative Agent and containing such estoppels of the lessor of the leasehold estate as the Administrative Agent shall require; and (iv) an Appraisal.

(d) Notwithstanding anything contained in this Credit Agreement or the Loan Documents to the contrary, failure by Borrower to complete the execution and delivery of deeds of trust or mortgages and assignments of leases and rents as described in this Section 10.18 by December 31, 2006 (or such later date as may be agreed to by Borrower and the Administrative Agent), shall not be deemed a Potential Default or Event of Default.

10.19 Lien on Gold Kist Stock. As soon as possible after the Control Acquisition Date, but no later than ten (10) Banking Days thereafter, Borrower shall sign such documents and take such action as the Administrative Agent may reasonably require to provide the Administrative Agent, for the benefit of the Syndication Parties, with a first priority perfected security interest in and lien on the Gold Kist Stock so acquired, including, without limitation, (a) delivery of stock certificates with executed stock powers (to the extent that any of the Gold Kist Stock so acquired is certificated); and/or (b) delivery of an executed agreement, in form and substance reasonably satisfactory to the Administrative Agent whereby (i) the Administrative Agent has "control" (as that term is defined in the applicable Uniform Commercial Code) over such Gold Kist Stock and/or (ii) a third party has possession of such Gold Kist Stock sufficient to perfect the Administrative Agent's first priority security interest therein, for the benefit of the Syndication Parties, pursuant, in each case, to the applicable Uniform Commercial Code. As soon as possible after Borrower acquires additional Gold Kist Stock in an amount equal to one percent (1.0%) of the total issued and outstanding shares of Gold Kist Stock, but no later than five (5) Banking Days thereafter, Borrower shall take such action as the Administrative Agent may reasonably require to provide the Administrative Agent, for the benefit of the Syndication Parties, with a first priority perfected security interest in and lien on the Gold Kist Stock so acquired, including, without limitation, any of the actions described in the foregoing sentence. Upon satisfaction of all conditions and requirements set forth in Section 10.21 to the satisfaction of the Administrative Agent, the Administrative Agent shall release its lien on the Gold Kist Stock and shall return to Borrower possession of any Gold Kist Stock delivered to the Administrative Agent pursuant to this Section.

10.20 Schedule of GK Assets. On or before the date which is sixty (60) days after the Control Acquisition Date, Borrower shall provide to the Administrative Agent a schedule of all of the GK Fixed Assets in which Borrower shall grant a lien in favor of the Administrative Agent pursuant to Section 10.21, which schedule may be updated by Borrower from time to time prior to the GK Lien Date.

10.21 Lien on GK Fixed Assets. On or before the GK Lien Date, Borrower shall provide to the Administrative Agent the following with respect to all GK Fixed Assets specified by Borrower in Section 10.20 hereof and the GK Collateral:

10.21.1 GK Security Documents. Fully executed deeds of trust, mortgages, assignment of leases and rents, and/or security agreements and financing statements, as applicable, in form and substance satisfactory to the Administrative Agent (“**GK Security Documents**”), and in favor of the Administrative Agent or a mortgage trustee, in each case for the benefit of the Syndication Parties, granting a first lien of record on and a first security interest in the GK Collateral, subject only to Permitted Encumbrances.

10.21.2 Requirements Regarding Real Property Collateral. With respect to all GK Collateral that constitutes an interest in real property, (a) a mortgagees’ title insurance policy (Standard Texas Mortgagees Policy Form with respect to GK Fixed Assets located in the State of Texas, and Standard ALTA form with respect to GK Fixed Assets located in states other than Texas) from an insurer acceptable to the Administrative Agent insuring the lien in favor of the Administrative Agent, on behalf of the Syndication Parties, as a first priority lien on each such parcel, subject only to Permitted Encumbrances, and (i) in such amount as the Administrative Agent shall require, (ii) deleting the standard printed exceptions (including exceptions for mechanics liens and exceptions based on lack of adequate survey) and the gap exception, (iii) containing only such exceptions to title as are reasonably acceptable to the Administrative Agent, (iv) providing access coverage, and (v) containing such other endorsements as the Administrative Agent may reasonably require (but in any event including a revolving credit endorsement); (b) a survey, which survey, the certifications thereon, and all information contained therein, shall be acceptable to the Administrative Agent, and shall contain a legal description and shall, at a minimum, show the location of all structures, visible utilities, fences, hedges, or walls on the parcel and within 5 feet of all boundaries thereof, any conflicting boundary evidence or visible encroachments, and all easements, underground utilities, and tunnels for which properly recorded evidence is available; (c) an Appraisal; and (d) (i) Phase I environmental reports, satisfactory in form and content to the Administrative Agent, on all parcels of real property which are included within the GK Collateral, and (ii) such Phase II environmental reports, or proof satisfactory to the Administrative Agent that Borrower has taken such remedial or other action as the Administrative Agent may reasonably require, in either case, based on the contents of such environmental reports.

10.21.3 Lien Searches. Searches of appropriate filing offices showing that: (a) no state or federal tax liens have been filed which remain in effect against the GK Collateral; (b) except with respect to Permitted Encumbrances no financing statements have been filed by any Person against the GK Collateral, except to perfect the security interests required by this Credit Agreement, which remain in effect against Gold Kist or Borrower or the GK Collateral; (c) all financing statements necessary to perfect the security interests granted to the Administrative Agent, on behalf of the Syndication Parties, in the GK Collateral have been filed or recorded, to the extent such security interests are capable of being perfected by such filing; and (d) all of the GK Security Documents required to be recorded or filed to perfect the security interests and liens granted therein shall be so recorded and filed.

10.21.4 Proof of Authorization. In form and substance satisfactory to the Administrative Agent: (a) documents, certified to be true and correct by the Secretary or Assistant Secretary of Borrower or Gold Kist, as applicable, evidencing all corporate action taken by Borrower or Gold Kist, as applicable, to authorize (including the specific names and titles of the persons authorized to so act the execution, delivery and performance of the GK Security Documents to which it is a party and which relate to the GK Collateral, and a certificate of the Secretary or Assistant Secretary of Borrower, dated the Closing Date, certifying the names and true signatures of the Authorized Officers; and (b) evidence satisfactory to the Administrative Agent that all consents and approvals of governmental authorities and third parties which are with respect to Gold Kist and/or Borrower necessary for, or required as a condition of the validity and enforceability of, such GK Security Documents to which it is a party.

10.21.5 Gold Kist Solvency Certificate and Pro Forma Financial Statements. (a) A certificate executed by the chief financial officer of Borrower or Gold Kist, as applicable, stating that after giving effect to the execution of the GK Security Documents and the pledge of the GK Fixed Assets thereunder to secure the obligations of Borrower under the Loan Documents, Gold Kist (i) will be able to pay its debts as they become due, (ii) will have funds and capital sufficient to carry on its business and all businesses in which it is about to engage, and (iii) will own property in the aggregate having a value both at fair valuation and at fair saleable value in the ordinary course of Gold Kist's business greater than the amount required to pay its Debt, including for this purpose unliquidated and contingent claims, and including disputed claims; (b) financial statements supporting the certification described in clause (a) above, which shall be certified to by the chief financial officer of Borrower or Gold Kist, as applicable, and shall include the following: (i) a pro forma balance sheet for Borrower or Gold Kist, as applicable, setting forth the fair salable value of its assets and (ii) a 12 month pro forma cash flow projection for such Person, with respect to which Gold Kist's chief financial officer on behalf of Gold Kist shall certify that such projections are based on reasonable assumptions; and (c) a certificate executed by Gold Kist's chief financial officer on behalf of Gold Kist stating that in entering into the GK Security Documents, it is not the intent of Gold Kist to hinder, delay or defraud its creditors.

10.21.6 Legal Opinion. A favorable opinion of counsel for Gold Kist addressed to the Administrative Agent and each of the present and future Syndication Parties, covering such matters as the Administrative Agent may reasonably require, including, without limitation, authorization and execution, enforceability, usury, creation and perfection of real and personal property liens on the GK Collateral in the relevant jurisdictions, fees, taxes, and qualification requirements.

10.21.7 Update to Exhibits. Following the date on which Borrower has acquired 100% of the Gold Kist Stock, Borrower shall be allowed to update the Exhibits to this Credit Agreement as necessary to reflect changes in such Exhibits attributable to the such acquisition.

ARTICLE 11. NEGATIVE COVENANTS

From and after the date of this Credit Agreement until the Bank Debt is indefeasibly paid in full, and the Syndication Parties have no obligation to make any Advance, Borrower agrees that it will observe and comply with, and, to the extent applicable, will cause its Subsidiaries to observe and comply with, the following covenants:

11.1 Borrowing. Borrower shall not (nor shall it permit any of its Subsidiaries to) create, incur, or assume, directly or indirectly, any Debt, except for:

- (a) indebtedness of Borrower arising under this Credit Agreement and the other Loan Documents;
- (b) trade payables arising in the ordinary course of business;
- (c) Capital Leases in existence from time to time;
- (d) current operating liabilities (other than trade payables or for borrowed money) incurred in the ordinary course of business;
- (e) the Pari Passu Loans;

(f) secured Debt (other than Bank Debt and the Pari Passu Loans, but including amounts owing under the Harris Loan, under the Hancock Loan, and under the ING Loan) in an aggregate amount at any time outstanding of up to the sum of (i) eighty-five percent (85%) of the book value of the outstanding accounts receivable of Borrower and its Subsidiaries (as such accounts receivable would be shown on a consolidated balance sheet of Borrower and its Subsidiaries prepared in accordance with GAAP), less allowance for doubtful accounts, plus (ii) seventy-five percent (75%) of the higher of book value or fair market value, determined in accordance with GAAP, of the assets of Borrower and its Subsidiaries, but excluding from such calculation under this clause (ii), the assets covered by clause (i), the Collateral, and good will;

(g) unsecured Debt in any amount provided that no more than \$50,000,000.00 (which amount shall automatically increase to \$100,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) of unsecured indebtedness outstanding at any time (but excluding from such restriction, the Senior Unsecured Notes, or any refinancing thereof, the Senior Subordinated Notes or any refinancing thereof, any Debt in connection with a Permitted Capital Raising Transaction, the Grower Settlement Agreements, and the Foreign Subsidiary Debt) may provide for scheduled principal payments prior to the Maturity Date, and provided that with respect to any individual unsecured indebtedness of greater than \$10,000,000.00 (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) incurred after the Closing Date, Borrower must demonstrate, to the satisfaction of the Administrative Agent, compliance with the covenants set forth at Section 10.12 hereof, on a pro forma basis taking into account such additional indebtedness, before such indebtedness is incurred;

(h) loans between Subsidiaries or between Borrower and Subsidiaries, in each case either (i) in the ordinary course and pursuant to the reasonable requirements of Borrower's business and consistent with demonstratable past practices; provided that any such loans to Borrower are expressly subordinated to the prior payment in full in cash of all of Borrower's indebtedness, obligations and liabilities to the Administrative Agent and the Syndication Parties under this Credit Agreement and the other Loan Documents; or (ii) in connection with a Receivables Securitization Program;

(i) on and after the Control Acquisition Date, Debt on account of Gold Kist's subordinated capital certificates in the principal amount of up to \$25,000,000.00 plus any premiums, fees or other transaction costs in connection therewith, or any refinancing thereof; and

(j) on and after the Control Acquisition Date, Debt on account of Gold Kist's senior notes in the principal amount of up to \$140,000,000.00 plus any premiums, fees or other transaction costs in connection therewith, or any refinancing thereof.

11.2 No Other Businesses. Borrower shall not, and shall not permit its Subsidiaries to, engage in any material respects in any business activity or operations other than operations or activities (a) in the poultry industry, (b) in the processing, packaging, distribution, and wholesale sales of poultry products, or (c) which are not substantially different from or are related to its present business activities or operations.

11.3 Liens. Borrower shall not (nor shall it permit any of its Subsidiaries to) create, incur, assume or suffer to exist any mortgage, pledge, lien, charge or other encumbrance on, or any security interest in, any of its real or personal properties (including, without limitation, leasehold interests, leasehold improvements and any other interest in real property or fixtures), now owned or hereafter acquired, except the following ("**Permitted Encumbrances**"):

(a) Liens for taxes or assessments or other charges or levies of any Governmental Authority, that are not delinquent or if delinquent are the subject of a Good Faith Contest;

(b) Liens imposed by law, such as mechanic's, worker's, repairman's, miner's, agister's, attorney's, materialmen's, landlord's, warehousemen's and carrier's Liens and other similar Liens which are securing obligations incurred in the ordinary course of business for sums not yet due and payable or, if due and payable, which (i) do not exceed an aggregate at any one time of \$30,000,000.00 or (ii) are the subject of a Good Faith Contest;

(c) Liens under workers' compensation, unemployment insurance, social security or similar legislation (other than ERISA), or to secure

payments of premiums for insurance purchased in the ordinary course of business, or to secure the performance of tenders, statutory obligations, surety and appearance bonds and bids, bonds for release of an attachment, stay of execution or injunction, leases, government contracts, performance and return-of-money bonds and other similar obligations, all of which are incurred in the ordinary course of business and not in connection with the borrowing of money;

(d) Any attachment or judgment Lien, the time for appeal or petition for rehearing of which shall not have expired or in respect of which Borrower or the Subsidiary is protected in all material respects by insurance or for the payment of which adequate reserves have been provided, provided that the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are the subject of a Good Faith Contest, and provided further that the aggregate amount of liabilities of Borrower and its Subsidiaries so secured (including interest and penalties) shall not be in excess of \$30,000,000.00 at any one time outstanding;

(e) Easements, rights-of-way, restrictions, encroachments, covenants, servitudes, zoning and other similar encumbrances which, in the aggregate, do not materially interfere with the occupation, use and enjoyment by Borrower or any Subsidiary of the property or assets encumbered thereby in the normal course of its business or materially impair the value of the property subject thereto;

(f) All precautionary filings of financing statements under the Uniform Commercial Code which cover property that is made available to or used by Borrower or any Subsidiary pursuant to the terms of an Operating Lease or Capital Lease;

(g) Liens, other than on the Collateral, securing its reimbursement obligations under any letter of credit issued in connection with the acquisition of an asset; provided that (i) the lien attaches only to such asset, and (ii) the lien is released upon satisfaction of such reimbursement obligation;

(h) Liens on the Collateral in connection with the Bank Debt or any permitted Pari Passu Loan;

(i) Liens on assets of Borrower or its Subsidiaries, other than on the Collateral, to secure indebtedness permitted under Sections 11.1(c) and 11.1(f);

(j) Liens existing on the Effective Date and described on Exhibit 11.3 hereto (as such Exhibit may be approved by the Administrative Agent);

(k) Liens on the accounts receivable of Borrower or its Subsidiaries or rights with respect thereto which are the subject of a Receivables Securitization Program; and

(l) Liens of Agriland on the Bank Equity Interests, and Liens of any other Farm Credit System Institution on equity interests therein required to be purchased from time to time by Borrower.

11.4 Sale of Collateral. Borrower shall not (nor shall it permit any of its Subsidiaries to) sell, convey, assign, lease or otherwise transfer or dispose of, voluntarily, by operation of law or otherwise (collectively “Disposition”), any of the Collateral except: (a) the Disposition of Collateral in the ordinary course of business, and which are either replaced or are no longer necessary or useful for the business conducted at the facilities which are included within the Collateral; (b) without duplication of clause (a) or clause (c), the Disposition in any calendar year, in one or more events or transactions, of Collateral with a book value in the aggregate of up to \$5,000,000.00 (which amount shall automatically increase to \$10,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock); and (c) the Disposition of Collateral utilized at a facility with respect to which there has been a Shut Down and as to which Borrower has elected to proceed under the provisions of Section 10.15(b); provided that the following conditions are met: (x) in the case of clause (c), either (i) (A) the book value of such Collateral is \$10,000,000.00 (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) or less and the Administrative Agent has agreed on behalf of the Syndication Parties, in advance of such sale, to release its lien thereon, and (B) the aggregate book value of all Collateral as to which the Administrative Agent has released, or is being asked to release, its lien in any calendar year pursuant to clause (c) of this Section (excluding liens released upon the written authorization of the Required Lenders, as provided in clause (x)(ii) of this Section) shall not exceed \$15,000,000.00 (which amount shall automatically increase to \$30,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock), or (ii) (A) the book value of such Collateral is greater than \$10,000,000.00 (which amount shall automatically increase to \$20,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) and/or (B) the aggregate book value of such Collateral as to which the Administrative Agent has released, or is being asked to release, its lien in any calendar year pursuant to clause (c) of this Section is in excess of \$15,000,000.00 (which amount shall automatically increase to \$30,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) and, (C) in either case (x)(ii)(A) or (x)(ii)(B), the Required Lenders have provided written authorization to the Administrative Agent, in advance of such sale, to release its lien thereon on behalf of the Syndication Parties; (y) in the case of either clause (b) or clause (c), (i) such Disposition of Collateral shall not cause or give rise to a Potential Default or an Event of Default, and (ii) at the time of any such Disposition of Collateral no Event of Default shall have occurred and be continuing; and (z) the full Appraised Value of such Collateral shall be removed at the closing of the Disposition from the calculation of the Available Amount and no later than ten (10) days after closing such Disposition, Borrower shall furnish the Administrative Agent with a revised Available Amount Report with the entire Appraised Value of the Collateral subject to such Disposition removed from such Available Amount Report. At the time of furnishing the Administrative Agent with a revised Available Amount Report, Borrower shall make the payment, if any, that would be required under Section 5.6(d) hereof if the aggregate outstanding principal balance owing under the Revolving Loan (including the Converted Loans) exceeds the Available Amount as calculated without such Collateral being included.

11.5 Liabilities of Others. Borrower shall not (nor shall it permit any of its Subsidiaries to) assume, guarantee, become liable as a surety, endorse, contingently agree to purchase, or otherwise be or become liable, directly or indirectly (including, but not limited to, by means of a maintenance agreement, or any other agreement designed to ensure any creditor against loss), for or on account of the obligation of any Person (other than the Bank Debt), except (a) by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of the Borrower's or any Subsidiary's business, (b) the guarantee of the obligations of Borrower's wholly owned Subsidiaries, (c) guarantees by any Subsidiary of the indebtedness of Borrower under the Senior Unsecured Notes, the Senior Subordinated Notes, the Hancock Loan and the Harris Loan; provided that each such Subsidiary also executes a guaranty reasonably satisfactory in form and substance to the Administrative Agent guaranteeing all of Borrower's obligations under this Credit Agreement, the Notes, and all other Loan Documents; and (d) without duplication of clauses (b) or (c), guarantees made from time to time by Borrower and its Subsidiaries in the ordinary course of their respective businesses; provided, however, that the aggregate amount of all indebtedness guaranteed at any time under this clause (d) shall not exceed \$20,000,000 in the aggregate (which amount shall automatically increase to \$40,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock).

11.6 Loans. Borrower shall not (nor shall it permit any of its Subsidiaries to) lend or advance money, credit, or property to any Person, except for:

(a) loans between Subsidiaries or between Borrower and Subsidiaries, in each case in the ordinary course and pursuant to the reasonable requirements of Borrower's business and consistent with demonstratable past practices;

(b) trade credit extended in the ordinary course of business;

(c) loans and advances to employees and contract growers (other than executive officers and directors of the Borrower or its Subsidiaries) for reasonable expenses incurred in the ordinary course of business and made on an arms length basis;

(d) loans and advances to officers and employees of Borrower and its Subsidiaries made in connection with such officer's or employee's housing related expenses or loans associated with the procurement or sale of personal residences or necessary for the moving of key personnel, in an aggregate amount outstanding at any time not to exceed \$3,000,000.00 (which amount shall automatically increase to \$6,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock); and

(e) loans and advances to contract growers in an aggregate amount at any time not to exceed \$25,000,000.00 (which amount shall automatically increase to \$50,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock).

11.7 Merger; Acquisitions; Business Form; Etc. Borrower shall not (nor shall it permit any of its Subsidiaries to) merge or consolidate with any entity, or acquire all or substantially all of the assets of any person or entity, nor shall Borrower change its business form from a corporation; provided, however, that the foregoing shall not prevent any such acquisition, consolidation, or merger if after giving effect thereto either clauses (a), (c) and (d) are satisfied or clauses (b), (c), and (d) are satisfied, as such clauses are set forth below:

(a) Both (i) the fair market value of all consideration paid or payable (whether paid or payable in money, stock, or some other form, including, without limitation, by promissory note or some other installment obligation) by Borrower and/or its Subsidiaries on account of all such mergers, consolidations or acquisitions does not exceed \$250,000,000.00 in any Fiscal Year of Borrower, and (ii) Borrower (or, if the consolidation or merger is by a Subsidiary, then the Subsidiary) is the surviving entity;

(b) The consolidation or merger is between Borrower and a Subsidiary or subsidiary of a Subsidiary, and Borrower is the surviving entity, or the consolidation or merger is between a Subsidiary and another Subsidiary or a Subsidiary and the subsidiary of a Subsidiary, and the Subsidiary is the surviving entity;

(c) No Event of Default or Potential Default shall have occurred and be continuing;

(d) After giving effect to the merger or consolidation on a pro forma basis, there would be no Event of Default or Potential Default.

11.8 Investments. Borrower shall not (nor shall it permit any of its Subsidiaries to) own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any Person, except that Borrower and the Subsidiaries may own, purchase or acquire:

(a) commercial paper maturing not in excess of one year from the date of acquisition and rated P1 by Moody's Investors Service, Inc. or A1 by Standard & Poor's Corporation on the date of acquisition;

(b) certificates of deposit in North American commercial banks rated C or better by Keefe, Bruyette & Woods, Inc. or 3 or better by Cates Consulting Analysts, maturing not in excess of one year from the date of acquisition;

(c) obligations of the United States government or any agency thereof, the obligations of which are guaranteed by the United States government, maturing, in each case, not in excess of one year from the date of acquisition;

(d) repurchase agreements of any bank or trust company incorporated under the laws of the United States of America or any state thereof and fully secured by a pledge of obligations issued or fully and unconditionally guaranteed by the United States government;

- (e) banker's acceptances maturing within one year issued by any bank or trust company organized under the laws of the United States or any state thereof and having capital, surplus and undivided profits of at least \$50,000,000;
- (f) Eurodollar time deposits maturing within six months purchased directly from a bank meeting the requirements of 11.8(b);
- (g) direct obligations issued by any state of the United States or any political subdivision of any such state or public instrumentality thereof maturing within one year and having, at the time of acquisition, the highest rating obtainable from either Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. or Moody's Investors Service, Inc.;
- (h) investments in mutual funds that invest not less than 95% of their assets in cash and cash equivalents or investments of the kinds described in clauses (a) through (g) above;
- (i) investments in an aggregate amount of up to \$8,000,000.00 (which amount shall automatically increase to \$16,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) in deposits maintained with the Pilgrim Bank of Pittsburg;
- (j) corporate bonds rated investment grade by Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. or by Moody's Investors Service, Inc.;
- (k) Investments permitted under Sections 11.5, 11.6, 11.7, and 11.9;
- (l) Investments made prior to the Effective Date in Persons, which are not Subsidiaries, and which are identified on Exhibit 11.8 hereto;
- (m) Investments in the Subsidiaries;
- (n) Investments in Intercompany Bonds;
- (o) Investments in Southern Hens, Inc. in an aggregate amount not to exceed \$5,000,000.00 (which amount shall automatically increase to \$10,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock);
- (p) Investments from time to time made after the Effective Date in Food Processors Water Cooperative, Inc. and the Greater Shenandoah Valley Development Company in accordance with past practice and their respective organizational documents as in effect on the date hereof;
- (q) Investments described in, or similar to those described in, the attached Exhibit 11.8(q), so long as at the time of purchase such Investments (other than those described in clauses (B) and (D) of Exhibit 11.8(q)) had a long-term senior unsecured debt rating of not less than Baa3 by Moody's Investors Service, Inc. and not less than BBB by Standard & Poor's Ratings Group, a division of McGraw Hill, Inc.;

(r) Gold Kist Stock, so long as Borrower has acquired in excess of fifty percent (50.0%) of all such stock issued and outstanding; and

(s) Investments not covered by clauses (a) through (r) above, in an amount not to exceed at any time an aggregate of \$50,000,000.00 (which amount shall automatically increase to \$75,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock).

11.9 Transactions With Related Parties. Borrower shall not purchase, acquire, provide, or sell any equipment, other personal property, real property or services from or to any Subsidiary, except in the ordinary course and pursuant to the reasonable requirements of Borrower's business and consistent with demonstratable past practices of the type disclosed in Borrower's proxy statement for its Fiscal Year ended September 2005.

11.10 Dividends, etc. Borrower shall not, directly or indirectly, declare or pay any dividends (other than dividends payable solely in stock of Borrower) on account of any shares of any class (including common or preferred stock) of its capital stock now or hereafter outstanding, or set aside or otherwise deposit or invest any sums for such purpose, or redeem, retire, defease, purchase or otherwise acquire any shares of any class of its capital stock (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration other than common stock or apply or set apart any sum, or make any other distribution (by reduction or capital or otherwise) in respect of any such shares or agree to do any of the foregoing; provided that if no Potential Default or Event of Default shall exist before and after giving effect thereto, Borrower may (a) pay dividends on preferred stock and other capital stock of Borrower that are convertible, exchangeable or exercisable into Borrower's common stock and on any common stock of Borrower which may be issued upon conversion, exchange or exercise of such capital stock, (b) in addition to the dividends permitted by clauses (a) and (e) pay dividends in an aggregate amount not to exceed \$13,000,000.00 (which amount shall automatically increase to \$26,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) in any Fiscal Year; (c) pay dividends permitted under clause (b) hereof during the immediately preceding Fiscal Year that were declared but not paid in the immediately preceding Fiscal Year (without giving effect to any carry over); and (d) repurchase, at any time after the Original Effective Date, its shares of capital stock in an amount not to exceed \$25,000,000.00 (which amount shall automatically increase to \$50,000,000.00 upon the date that Borrower acquires 100% of the Gold Kist Stock) in the aggregate.

11.11 ERISA. Borrower shall not: (a) engage in or permit any transaction which could result in a "prohibited transaction" (as such term is defined in Section 406 of ERISA) that is not exempt under a statutory, class or individual exemption or in the imposition of an excise tax pursuant to Section 4975 of the Code; (b) engage in or

permit any transaction or other event which could result in a “reportable event” (as such term is defined in Section 4043 of ERISA) for which the reporting obligation is not waived under ERISA or by regulation for any Borrower Pension Plan; (c) fail to make full payment when due of all amounts which, under the provisions of any Borrower Benefit Plan, Borrower is required to pay as contributions thereto; (d) permit to exist any “accumulated funding deficiency” (as such term is defined in Section 302 of ERISA) in excess of \$100,000.00 if waived or in excess of \$25,000.00, if not waived, with respect to any Borrower Pension Plan; (e) fail to make any payments to any “multiemployer plan” that Borrower may be required to make under any agreement relating to such “multiemployer plan” or any law pertaining thereto; or (f) terminate any Borrower Pension Plan in a manner which could result in the imposition of a lien on any property of Borrower pursuant to Section 4068 of ERISA. Borrower shall not terminate any Borrower Pension Plan so as to result in any liability to the Pension Benefit Guaranty Corporation. As used in this Section, all terms enclosed in quotation marks shall have the meanings set forth in ERISA. Borrower’s failure to comply with any of the foregoing provisions of this Section shall not constitute a breach of this Agreement or an Event of Default unless such failure has a Material Adverse Effect.

11.12 Change in Fiscal Year. Borrower shall not change its Fiscal Year unless required to do so by the Internal Revenue Service, in which case Borrower agrees to such amendment of the terms Fiscal Quarter and Fiscal Year, as used herein, as the Administrative Agent reasonably deems necessary.

11.13 Leases. Borrower shall not, and shall not permit any Subsidiary to, incur non-cancelable obligations on Operating Leases or sale and leaseback transactions if the aggregate annual amount of all minimum or guaranteed net rentals payable under such leases would exceed four percent (4%) of the Net Tangible Assets of Borrower and its Consolidated Subsidiaries (as determined immediately preceding the execution of such lease).

11.14 Principal Payments. Borrower shall not make any principal payments on any subordinated or unsecured debt instruments or related documents unless and until 105 days have passed since the Maturity Date without a voluntary or involuntary petition having been filed against Borrower under the federal bankruptcy laws during that period, other than (a) scheduled payments of Senior Unsecured Notes and the Senior Subordinated Notes; (b) payments under debt instruments between and among Borrower and its Subsidiaries; (c) prepayment, redemption or purchase of an aggregate of up to \$50,000,000.00 of the Senior Unsecured Notes and/or the Senior Subordinated Notes, provided that Borrower demonstrates, on a pro forma basis taking into account such prepayment, redemption or purchase, compliance with the covenants set forth at Section 10.12 hereof; (d) redemption or repurchase of Senior Unsecured Notes and/or Senior Subordinated Notes with the proceeds of the issuance of any equity securities; (e) repayment of Senior Unsecured Notes with the proceeds of the sale or other disposition of any non-current assets which are not part of the Collateral in accordance with the provisions and limitations of Section 5.6 hereof; (f) prepayment of the Senior Unsecured Notes and/or Senior Subordinated Notes with the proceeds of a refinancing thereof, provided that such refinancing does not require any principal payments until a

date which is five (5) years after the Closing Date; (g) from and after the first date on which the Leverage Ratio is equal to or less than 0.50, there shall be no restrictions on prepayment of existing Senior Unsecured Notes and/or Senior Subordinated Notes, provided that Borrower demonstrates, on a pro forma basis taking into account such prepayment, redemption or purchase, compliance with the covenants set forth at Section 10.12 hereof; (h) prepayments required on account of asset sales, change of control, equity issuances, or similar events; (i) repayment of Foreign Subsidiary Debt; (j) repayment of amounts owing pursuant to or in connection with the Grower Settlement Agreements existing as of the Effective Date in an aggregate amount not to exceed \$1,000,000.00; (k) repayment or refinancing of amounts due in connection with the Debt permitted under Section 11.1(i) and (j); (l) repayments of amounts owing in connection with any Permitted Capital Raising Transaction, provided that any financing constituting Permitted Capital Raising Transaction that has a maturity date of less than five years from the Closing Date shall contain an automatic conversion or exchange, subject to the condition of no event of default thereunder, of such financing into other financing constituting Permitted Capital Raising Transaction; provided further that the refinancing, exchanges or conversion of such other Permitted Capital Raising Transaction shall not require principal payments until a date which is five (5) years after the Closing Date; and (m) payments of up to \$100,000,000.00 as permitted by Section 11.1(g) hereof.

11.15 Anti-Terrorism Law. Borrower shall not (a) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in Subsection 8.26.2 above, (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other Anti-Terrorism Law, or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law (and Borrower shall deliver to the Administrative Agent any certification or other evidence requested from time to time by the Administrative Agent in its reasonable discretion, confirming Borrower's compliance with this Section).

ARTICLE 12. INDEMNIFICATION

12.1 General; Stamp Taxes; Intangibles Tax. Borrower agrees to indemnify and hold the Administrative Agent and each Syndication Party and their directors, officers, employees, agents, professional advisers and representatives ("**Indemnified Parties**") harmless from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Administrative Agent or any other Indemnified Party may incur (or which may be claimed against any such Indemnified Party by any Person), including attorneys' fees incurred by any Indemnified Party, arising out of or resulting from: (a) the material inaccuracy of any representation or warranty of or with respect to Borrower in this Credit Agreement or the other Loan Documents; (b) the material failure of Borrower to perform or comply with any covenant or obligation of Borrower under this Credit Agreement or the other Loan Documents; or (c) the exercise by the Administrative Agent of any right or remedy set forth in this Credit Agreement or the other Loan Documents, provided that Borrower shall have no obligation to

indemnify any Indemnified Party against claims, damages, losses, liabilities, costs or expenses to the extent that a court of competent jurisdiction renders a final non-appealable determination that the foregoing are solely the result of the willful misconduct or gross negligence of such Indemnified Party. In addition, Borrower agrees to indemnify and hold the Indemnified Parties harmless from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Administrative Agent or any other Indemnified Party may incur (or which may be claimed against any such Indemnified Party by any Person), including attorneys' fees incurred by any Indemnified Party, arising out of or resulting from the imposition or nonpayment by Borrower of any stamp tax, intangibles tax, or similar tax imposed by any state, including any amounts owing by virtue of the assertion that the property valuation used to calculate any such tax was understated. Borrower shall have the right to assume the defense of any claim as would give rise to Borrower's indemnification obligation under this Section with counsel of Borrower's choosing so long as such defense is being diligently and properly conducted and Borrower shall establish to the Indemnified Party's satisfaction that the amount of such claims are not, and will not be, material in comparison to the liquid and unrestricted assets of Borrower available to respond to any award which may be granted on account of such claim. So long as the conditions of the preceding sentence are met, Indemnified Party shall have no further right to reimbursement of attorneys' fees incurred thereafter. The obligation to indemnify set forth in this Section shall survive the termination of this Credit Agreement and other covenants.

12.2 Indemnification Relating to Hazardous Substances. Borrower shall not, and shall cause the Subsidiaries not to, locate, produce, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from any property owned or held by Borrower or such Subsidiary, except in accordance with all Environmental Regulations; Borrower shall not, and shall cause the Subsidiaries not to, permit any Hazardous Substance to be located, produced, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape in, upon, under, over or from any property owned or held by Borrower or such Subsidiary, except in accordance with Environmental Regulations; and Borrower shall, and shall cause each Subsidiary to, comply with all Environmental Regulations which are applicable to such property except where the failure to comply could not reasonably be expected to result in a Material Adverse Effect. Borrower shall indemnify the Indemnified Parties against, and shall reimburse the Indemnified Parties for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees incurred by the Indemnified Parties (prior to trial, at trial and on appeal) in any action against or involving the Indemnified Parties, resulting from any breach of the foregoing covenants in this Section or the covenants in Section 10.5 hereof, or from the discovery of any Hazardous Substance in, upon, under or over, or emanating from, such property, it being the intent of Borrower and the Indemnified Parties that the Indemnified Parties shall have no liability or responsibility for damage or injury to human health, the environmental or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances as the result of the Administrative Agent or any Syndication Party exercising any of its rights or remedies with respect thereto, including but not limited to becoming the owner

thereof by foreclosure, including foreclosure on a judgment lien, or conveyance in lieu of foreclosure; provided that such indemnification as it applies to the exercise by the Administrative Agent or any Syndication Party of its rights or remedies with respect to the Loan Documents shall not apply to claims arising solely with respect to Hazardous Substances brought onto such property by the Administrative Agent or such Syndication Party while engaged in activities other than operations substantially the same as the operations previously conducted on such property by Borrower. The foregoing covenants of this Section shall be deemed continuing covenants for the benefit of the Indemnified Parties, and any successors and assigns of the Indemnified Parties, including but not limited to, any transferee of the title of the Administrative Agent or any Syndication Party or any subsequent owner of the property, and shall survive the satisfaction or release of any lien, any foreclosure of any lien and/or any acquisition of title to the property or any part thereof by the Administrative Agent or any Syndication Party, or anyone claiming by, through or under the Administrative Agent or any Syndication Party or Borrower by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Default Interest Rate, shall be payable on demand, and shall be secured by the Security Documents. The indemnification and covenants of this Section shall survive the termination of this Credit Agreement and other covenants.

ARTICLE 13. EVENTS OF DEFAULT; RIGHTS AND REMEDIES

13.1 Events of Default. The occurrence of any of the following events (each an “**Event of Default**”) shall, at the option of the Administrative Agent, make the entire Bank Debt immediately due and payable (provided, that in the case of an Event of Default under Subsection 13.1(h) all amounts owing under the Notes and the other Loan Documents shall automatically and immediately become due and payable without any action by or on behalf of the Administrative Agent), and the Administrative Agent may exercise all rights and remedies for the collection of any amounts outstanding hereunder and take whatever action it deems necessary to secure itself, all without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character:

(a) Failure of Borrower to pay (i) when due, whether by acceleration or otherwise, any principal in accordance with this Credit Agreement or the other Loan Documents, (ii) within five (5) Banking Days of the date when due, whether by acceleration or otherwise, any interest or amounts other than principal in accordance with this Credit Agreement or the other Loan Documents, or (iii) within ten (10) Banking Days of the date when due, any Delinquent Amount or Delinquency Interest.

(b) Any representation or warranty set forth in any Loan Document, any Borrowing Notice, any financial statements or reports, or in connection with any transaction contemplated by any such document, shall prove in any material respect to have been false or misleading when made or furnished by Borrower.

(c) Any default by Borrower in the performance or compliance with the covenants, promises, conditions or provisions of Sections 10.9, 10.13, 10.14, 10.19, 10.20, 10.21, 11.1, 11.3, 11.4, 11.5, 11.7, 11.10, 11.13, or 11.14 of this Credit Agreement.

(d) Any default by Borrower in the performance or compliance with the covenants, promises, conditions or provisions of Sections 10.2, 10.4, 10.5, 10.6, 10.7, 10.8, 10.10, 10.11, 10.12, 10.16, 10.17, 11.6, 11.8, 11.9, 11.11, 11.12, or 11.15 of this Credit Agreement, and such failure continues for fifteen (15) days after Borrower learns of such failure to comply, whether by Borrower's own discovery or through notice from the Administrative Agent.

(e) The occurrence of an Event of Default under any of the Security Documents or the GK Security Documents.

(f) Failure of Borrower to comply with any other provision of this Credit Agreement (other than Section 10.18) or the other Loan Documents not constituting an Event of Default under any of the preceding subparagraphs of this Section 13.1, and such failure continues for thirty (30) days after Borrower learns of such failure to comply, whether by Borrower's own discovery or through notice from the Administrative Agent.

(g) The failure of Borrower to pay when due, or failure to perform or observe any other obligation or condition with respect to any of the following obligations to any Person, beyond any period of grace under the instrument creating such obligation: (i) any indebtedness for borrowed money or for the deferred purchase price of property or services, (ii) any obligations under leases which have or should have been characterized as Capital Leases, or (iii) any contingent liabilities, such as guaranties and letters of credit, for the obligations of others relating to indebtedness for borrowed money or for the deferred purchase price of property or services or relating to obligations under leases which have or should have been characterized as Capital Leases; provided that no such failure will be deemed to be an Event of Default hereunder unless the amount owing under the obligation with respect to which such failures have occurred and are continuing is at least \$20,000,000.00, or unless it is with respect to a Pari Passu Loan.

(h) Borrower, Guarantor, or any Subsidiary applies for or consents to the appointment of a trustee or receiver for any part of its properties; any bankruptcy, reorganization, debt arrangement, dissolution or liquidation proceeding is commenced or consented to by Borrower, Guarantor, or any Subsidiary; or any application for appointment of a receiver or a trustee, or any proceeding for bankruptcy, reorganization, debt management or liquidation is filed for or commenced against Borrower, Guarantor, or any Subsidiary, and is not withdrawn or dismissed within ninety (90) days thereafter; provided that no such consent or filing by or against a Subsidiary shall constitute an Event of Default under this clause (g) unless it could reasonably be expected to result in a Material Adverse Effect.

(i) The entry of one or more judgments in an aggregate amount in excess of \$30,000,000.00 against Borrower not stayed, discharged or paid within thirty (30) days after entry.

(j) The occurrence at any time from the Original Effective Date to the Closing Date of any circumstance which would have constituted an Event of Default under the 2004 Credit Agreement.

(k) In the event (i) the Pilgrim Family shall cease to “own” more than fifty percent (50%) of the total voting power generally entitled to vote in the election of directors, managers or trustees of Borrower, (ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board of Directors of Borrower (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of Borrower was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of Borrower then in office, or (iii) the stockholders of Borrower shall approve any plan for the liquidation or dissolution of Borrower. For purposes hereof, the Pilgrim Family shall be deemed to “own” the voting power generally entitled to vote in the election of directors, managers or trustees of Borrower if the Pilgrim Family either directly or indirectly legally or beneficially own such voting power.

13.2 Modification upon Gold Kist Acquisition. Notwithstanding anything contained herein or any Loan Document to the contrary, on and after the Control Acquisition Date, any occurrence which would otherwise constitute a Potential Event of Default or an Event of Default under Section 13.1 hereof on account of a matter solely attributable to Gold Kist (and Borrower’s acquisition of the Gold Kist Stock), shall not be deemed to be a Potential Event of Default or an Event of Default hereunder if such occurrence would not have constituted a default or an event of default under the that certain Fifth Amended and Restated Credit Agreement dated as of December 16, 2005 among Gold Kist, as borrower, and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Rabobank Nederland “New York Branch”, and the other lenders named therein, as it may be amended from time to time.

13.3 No Advance. The Syndication Parties shall have no obligation to make any Advance if a Potential Default or an Event of Default shall occur and be continuing.

13.4 Rights and Remedies. In addition to the remedies set forth in Section 13.1 and 13.3 hereof, upon the occurrence of an Event of Default, the Administrative Agent shall be entitled to exercise all the rights and remedies provided in the Loan Documents and by any applicable law. Each and every right or remedy granted to the Administrative Agent pursuant to this Credit Agreement and the other Loan Documents, or allowed the Administrative Agent by law or equity, shall be cumulative. Failure or delay on the part of the Administrative Agent to exercise any such right or remedy shall not operate as a waiver thereof. Any single or partial exercise by the Administrative Agent of any such right or remedy shall not preclude any future exercise thereof or the exercise of any other right or remedy.

13.5 Waiver of Borrower's Rights Under Farm Credit Act. Borrower, having been represented by legal counsel in connection with this Credit Agreement and, in particular, in connection with the waiver contained in this Section 13.5, does hereby voluntarily and knowingly waive, relinquish, and agree not to assert at any time, any and all rights that Borrower may have or be afforded under the sections of the Agricultural Credit Act of 1987 designated as 12 U.S.C. Sections 2199 through 2202e and the implementing Farm Credit Administration regulations as set forth in 12 C.F.R Sections 617.7000 through 617.7630, including those provisions which afford Borrower certain rights, and/or impose on any lender to Borrower certain duties, with respect to the collection of any amounts owing hereunder or the foreclosure of any liens securing any such amounts, or which require the Administrative Agent or any present or future Syndication Party to disclose to Borrower the nature of any such rights or duties. This waiver is given by Borrower pursuant to the provisions of 12 C.F.R. Section 617.7010(c) to induce the Syndication Parties to fund and extend to Borrower the credit facilities described herein and to induce those Syndication Parties which are Farm Credit System Institutions to agree to provide such credit facilities commensurate with their Individual Commitments as they may exist from time to time. Borrower acknowledges that its agreement to execute such waivers pursuant to the provisions of this Section 13.5 is based on its recognition that such action would (x) be important to induce commercial banks and other non-Farm Credit System Institutions and CoBank to become Syndication Parties and/or Voting Participants hereunder and to agree to provide, directly or indirectly, a portion of the available funds under the Loan; and (y) enhance Borrower's ability to obtain Pari Passu Loans. Nothing contained in this Section 13.5 nor the delivery to Borrower of any summary of any rights under, or any notice pursuant to, the Farm Credit Law shall in any way be deemed to be, or be construed to in any way indicate, the determination or agreement by Borrower, the Administrative Agent, any Syndication Party, and/or any Voting Participants, that the Farm Credit Law, or any rights thereunder, are or will in fact be applicable to Borrower, the Loan, or the Loan Documents.

13.6 Unrestricted Subsidiary. Notwithstanding anything contained herein to the contrary, no default with respect to any Permitted Unrestricted Subsidiary Debt (including any rights that the holders thereof may have to take enforcement action against the Subsidiary obligated in respect of such Permitted Unrestricted Subsidiary Debt) would constitute a Potential Event of Default or Event of Default.

ARTICLE 14. AGENCY AGREEMENT

14.1 Funding of Syndication Interest. Each Syndication Party, severally but not jointly, hereby irrevocably agrees to fund its Funding Share of the Advances ("**Advance Payment**") as determined pursuant to the terms and conditions contained herein and in particular, Articles 2 and 3 hereof. Each Syndication Party's interest ("**Syndication Interest**") in each Advance hereunder shall be without recourse to the Administrative Agent or any other Syndication Party and shall not be construed as a loan from any Syndication Party to the Administrative Agent or to any other Syndication Party.

14.2 Syndication Parties' Obligations to Remit Funds. Each Syndication Party agrees to remit its Funding Share to the Administrative Agent as, and within the time deadlines ("**Syndication Party Advance Date**"), required in this Credit Agreement. Unless the Administrative Agent shall have received notice from a Syndication Party prior to the date on which such Syndication Party is to provide funds to the Administrative Agent for an Advance to be made by such Syndication Party that such Syndication Party will not make available to the Administrative Agent such funds, the Administrative Agent may assume that such Syndication Party has made such funds available to the Administrative Agent on the date of such Advance in accordance with the terms of this Credit Agreement and the Administrative Agent in its sole discretion may, but shall not be obligated to, in reliance upon such assumption, make available to Borrower on such date a corresponding amount. If and to the extent such Syndication Party shall not have made such funds available to the Administrative Agent by 2:00 P.M. (Central time) on the Banking Day due, such Syndication Party agrees to repay the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to Borrower until the Banking Day such amount is repaid to the Administrative Agent (assuming payment is received by the Administrative Agent at or prior to 2:00 P.M. (Central time), and until the next Banking Day if payment is not received until after 2:00 P.M.), at the customary rate set by the Administrative Agent for the correction of errors among banks for three (3) Banking Days and thereafter at the Base Rate. If such Syndication Party shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Syndication Party's Advance for purposes of this Credit Agreement. If such Syndication Party does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify Borrower, and Borrower shall immediately pay such corresponding amount to the Administrative Agent with the interest thereon, for each day from the date such amount is made available to Borrower until the date such amount is repaid to the Administrative Agent, at the rate of interest applicable at the time to such Advance.

14.3 Syndication Party's Failure to Remit Funds. If a Syndication Party ("**Delinquent Syndication Party**") fails to remit its Funding Share in full by the date and time required (the unpaid amount of any such payment being hereinafter referred to as the "**Delinquent Amount**"), in addition to any other remedies available hereunder, any other Syndication Party or Syndication Parties may, but shall not be obligated to, advance the Delinquent Amount (the Syndication Party or Syndication Parties which advance such Delinquent Amount are referred to as the "**Contributing Syndication Parties**"), in which case (a) the Delinquent Amount which any Contributing Syndication Party advances shall be treated as a loan to the Delinquent Syndication Party and shall not be counted in determining the Individual Outstanding Obligations, of any Contributing Syndication Party, and (b) the Delinquent Syndication Party shall be obligated to pay to the Administrative Agent, for the account of the Contributing Syndication Parties, interest on the Delinquent Amount at a rate of interest equal to the

rate of interest which Borrower is obligated to pay on the Delinquent Amount plus 200 basis points (“**Delinquency Interest**”) until the Delinquent Syndication Party remits the full Delinquent Amount and remits all Delinquency Interest to the Administrative Agent, which will distribute such payments to the Contributing Syndication Parties (pro rata (if more than one) based on the amount of the Delinquent Amount which each of them advanced) on the same Banking Day as such payments are received by the Administrative Agent if received no later than 11:00 A.M. Central time or the next Banking Day if received by the Administrative Agent thereafter. In addition, the Contributing Syndication Parties shall be entitled to share, on the same pro rata basis, and the Administrative Agent shall pay over to them, for application against Delinquency Interest and the Delinquent Amount, the Delinquent Syndication Party’s Payment Distribution and any fee distributions or distributions made under Section 14.10 hereof until the Delinquent Amount and all Delinquency Interest have been paid in full. For voting purposes the Administrative Agent shall readjust the Individual Commitments of such Delinquent Syndication Party and the Contributing Syndication Parties from time to time first to reflect the advance of the Delinquent Amount by the Contributing Syndication Parties, and then to reflect the full or partial reimbursement to the Contributing Syndication Parties of such Delinquent Amount. As between the Delinquent Syndication Party and the Contributing Syndication Parties, the Delinquent Syndication Party’s interest in its Notes shall be deemed to have been partially assigned to the Contributing Syndication Parties in the amount of the Delinquent Amount and Delinquency Interest owing to the Contributing Syndication Parties from time to time. For the purposes of calculating interest owed by a Delinquent Syndication Party, payments received on other than a Banking Day shall be deemed to have been received on the next Banking Day, and payments received after 2:00 P.M. (Central time) shall be deemed to have been received on the next Banking Day.

14.4 Agency Appointment. Each of the Syndication Parties hereby designates and appoints the Administrative Agent to act as agent to service and collect the Loans and its respective Notes, to act as Secured Party or mortgagee or beneficiary under the Security Documents and the GK Security Documents, and to take such action on behalf of such Syndication Party with respect to the Loans, such Notes, the Collateral, the Security Documents, and the GK Security Documents, and to execute such powers and to perform such duties, as specifically delegated or required herein, as well as to exercise such powers and to perform such duties as are reasonably incident thereto, and to receive and benefit from such fees and indemnifications as are provided for or set forth herein, until such time as a successor is appointed and qualified to act as the Administrative Agent.

14.5 Power and Authority of the Administrative Agent. Without limiting the generality of the power and authority vested in the Administrative Agent pursuant to Section 14.4 hereof, the power and authority vested in the Administrative Agent includes, but is not limited to, the following:

14.5.1 Advice. To solicit the advice and assistance of each of the Syndication Parties and Voting Participants concerning the administration of the Loans

and the exercise by the Administrative Agent of its various rights, remedies, powers, and discretions with respect thereto. As to any matters not expressly provided for by this Credit Agreement or any other Loan Document, the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by all of the Syndication Parties or the Required Lenders, as the case may be (and including in each such case, Voting Participants), and any action taken or failure to act pursuant thereto shall be binding on all of the Syndication Parties, Voting Participants, and the Administrative Agent.

14.5.2 Documents; Intercreditor Agreement. To execute, seal, acknowledge, and deliver as the Administrative Agent, (a) all such instruments as may be appropriate in connection with the administration of the Loans and the exercise by the Administrative Agent of its various rights with respect thereto; and (b) upon Borrower's satisfaction of each condition thereto as specified in Section 1.100 hereof, one or more Intercreditor Agreements, including agreements by a lender under a Pari Passu Loan adopting and agreeing to be bound by the same, and the Administrative Agent agrees to execute an Intercreditor Agreement (or agreement by a lender under a Pari Passu Loan adopting and being bound by an Intercreditor Agreement) upon the request of Borrower and upon Borrower's satisfaction of each condition thereto as specified in Section 1.100 hereof; provided that the Administrative Agent shall not exercise any rights under an Intercreditor Agreement after its execution except as directed by the Required Lenders.

14.5.3 Proceedings. To initiate, prosecute, defend, and to participate in, actions and proceedings in its name as the Administrative Agent for the ratable benefit of the Syndication Parties.

14.5.4 Retain Professionals. To retain attorneys, accountants, and other professionals to provide advice and professional services to the Administrative Agent, with their fees and expenses reimbursable to the Administrative Agent by Syndication Parties pursuant to Section 14.16 hereof.

14.5.5 Incidental Powers. To exercise powers reasonably incident to the Administrative Agent's discharge of its duties enumerated in Section 14.6 hereof.

14.5.6 Release of Certain Liens. To take such action and execute such documents as may be reasonably necessary to release any liens on or security interests in any Collateral where Borrower is entitled to such release in connection with (a) Dispositions permitted pursuant to the provisions of Section 11.4(a), (b), and (c)(i) hereof, without the need to obtain the consent of any of the Syndication Parties or Voting Participants; (b) the replacement or removal of any Collateral (other than in connection with a Shut Down pursuant to the terms of Section 10.15 hereof) where the book value of such Collateral is \$5,000,000.00 or less, without the need to obtain the consent of any of the Syndication Parties or Voting Participants; (c) the removal of any facility from the Available Amount Report (and therefore, from calculation of the Available Amount) arising from a Shut Down pursuant to the provisions of Section 10.15 hereof where the book value of the Collateral subject to such Shut Down is

\$10,000,000.00 or less, without the need to obtain the consent of any of the Syndication Parties or Voting Participants; (d) dispositions permitted pursuant to the provisions of Section 11.4(c)(ii) hereof, with the consent of the Required Lenders; and (e) the removal of any facility from the Available Amount Report (and therefore, from calculation of the Available Amount) arising from a Shut Down pursuant to the provisions of Section 10.15 where the book value of the Collateral subject to such Shut Down is more than \$10,000,000.00, with the consent of the Required Lenders.

14.6 Duties of the Administrative Agent. The duties of the Administrative Agent hereunder shall consist of the following:

14.6.1 Possession of Documents. To safekeep one original of each of the Loan Documents other than the Notes (which will be in the possession of the Syndication Party named as payee therein).

14.6.2 Distribute Payments. To receive and distribute to the Syndication Parties payments made by Borrower pursuant to the Loan Documents, as provided herein.

14.6.3 Loan Administration. Subject to the provisions of Section 14.7 hereof, to, on behalf of and for the ratable benefit of all Syndication Parties, in accordance with customary banking practices, exercise all rights, powers, privileges, and discretion to which the Administrative Agent is entitled to administer the Loans.

14.6.4 Action Upon Default. Each Syndication Party agrees that upon its learning of any facts which would constitute a Potential Default or Event of Default, it shall promptly notify the Administrative Agent by a writing designated as a notice of default specifying in detail the nature of such facts and default, and the Administrative Agent shall promptly send a copy of such notice to all other Syndication Parties. The Administrative Agent shall be entitled to assume that no Event of Default or Potential Default has occurred or is continuing unless an officer thereof primarily responsible for the Administrative Agent's duties as such with respect to the Loans or primarily responsible for the credit relationship, if any, between the Administrative Agent and Borrower has actual knowledge of facts which would result in or constitute a Potential Default or Event of Default, or has received written notice from Borrower of such fact, or has received written notice of default from a Syndication Party. In the event the Administrative Agent has obtained actual knowledge (in the manner described above) or received written notice of the occurrence of a Potential Default or Event of Default as provided in the preceding sentences, the Administrative Agent may, but is not required to exercise or refrain from exercising any rights which may be available under the Loan Documents or at law on account of such occurrence and shall be entitled to use its discretion with respect to exercising or refraining from exercising any such rights, unless and until the Administrative Agent has received specific written instruction from the Required Lenders to refrain from exercising such rights or to take specific designated action, in which case it shall follow such instruction; provided that the Administrative Agent shall not be required to take any action which will subject it to personal liability, or which is or may be contrary to any provision of the Loan

Documents or applicable law. The Administrative Agent shall not be subject to any liability by reason of its acting or refraining from acting pursuant to any such instruction.

14.6.5 Indemnification as Condition to Action. Except for action expressly required of the Administrative Agent hereunder, the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall have received further assurances (which may include cash collateral) of the indemnification obligations of the Syndication Parties under Section 14.17 hereof in respect of any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

14.6.6 Forwarding of Information. The Administrative Agent shall, within a reasonable time after receipt thereof, forward to the Syndication Parties and the Voting Participants notices and reports provided to the Administrative Agent by the Borrower pursuant to Section 10.2 hereof.

14.7 Consent Required for Certain Actions. Notwithstanding the fact that this Credit Agreement may otherwise provide that the Administrative Agent may act at its discretion, the Administrative Agent may not take any of the following actions with respect to, or under, the Loan Documents (nor may the Syndication Parties or the Voting Participants take the action described in Subsection 14.7.1(c)) without the prior written consent, given after notification by the Administrative Agent of its intention to take any such action (or notification by such Syndication Parties or the Voting Participants as are proposing the action described in Subsection 14.7.1(c) of their intention to do so), of:

14.7.1 Unanimous. Each of the Syndication Parties and Voting Participants holding, directly or, in the case of Voting Participants, indirectly, an Individual Commitment, before:

(a) Agreeing to an increase in the Aggregate Commitment, the Aggregate Revolving Commitment, the Aggregate Term Commitment, the Floating Rate Term Commitment, and/or the Fixed Rate Term Commitment; provided that any increase (i) in the Aggregate Revolving Commitment to a maximum of \$825,000,000.00, (ii) in the Aggregate Term Commitment (and a corresponding increase to the Floating Rate Term Commitment and the Fixed Rate Term Commitment) to a maximum of \$575,000,000.00, or (iii) in the Aggregate Commitment, the Aggregate Revolving Commitment, the Aggregate Term Commitment, the Floating Rate Term Commitment, and/or the Fixed Rate Term Commitment pursuant to the provisions of Sections 2.12 or 3.9 hereof, shall not require the consent of any Syndication Parties or Voting Participants;

(b) Agreeing to an extension of the Maturity Date;

(c) Agreeing to a reduction in the amount, or to a delay in the due date, of any payment by Borrower of interest, principal, or fees with respect to the Revolving Loan or the Term Loan;

(d) Amending any provisions of this Subsection 14.7.1 or Section 15.20;

(e) Agreeing to release any Collateral from the lien of the Security Documents or the GK Security Documents, except as provided in Subsection 14.5.6 hereof; or

(f) Agreeing to the Revised Floating Rate Tranche Margin, provided that for the purposes of this clause (f), only the Syndication Parties which hold Individual Floating Rate Term Commitments (including the Voting Participants under such Individual Floating Rate Term Commitments) and the voting rights based thereon shall be considered in determining whether such action has been unanimously approved.

14.7.2 Required Lenders. The Required Lenders before:

(a) Consenting to any action or amendment, or granting any waiver with respect to, either the Revolving Loan or the Term Loan, not covered in Subsection 14.7.1 and except as provided in Subsection 14.5.6(a), (b), or (c) hereof; or

(b) Agreeing to amend Article 14 of this Credit Agreement (other than Subsection 14.7.1).

14.7.3 Increase in Individual Commitment Amounts. Neither the Individual Revolving Commitment nor the Individual Term Commitment of any Syndication Party may be increased without (a) the prior written consent of such Syndication Party; and (b) if such increase would result in an increase in the Aggregate Commitment, the Aggregate Revolving Commitment, or the Aggregate Term Commitment, compliance with Subsection 14.7.1(a) hereof.

14.7.4 Action Without Vote. Notwithstanding any other provisions of this Section, the Administrative Agent may, without obtaining the consent of the Syndication Parties or Voting Participants, determine (a) whether the conditions to an Advance have been met, and (b) the amount of such Advance;

14.7.5 Vote of Participants. Under the circumstances set forth in Section 14.26 hereof, each Voting Participant shall be accorded voting rights as though such Person was a Syndication Party, and in such case the voting rights of the Syndication Party from which such Voting Participant acquired its participation interest shall be reduced accordingly.

14.8 Distribution of Principal and Interest. The Administrative Agent will receive and accept all payments (including prepayments) of principal and interest made by Borrower on the Loans and the Notes and will hold all such payments in trust for the

benefit of all present and future Syndication Parties, and, if requested in writing by the Required Lenders, in an account segregated from the Administrative Agent's other funds and accounts ("**Payment Account**"). After the receipt by the Administrative Agent of any payment representing interest or principal on the Loans, the Administrative Agent shall remit to each Syndication Party its share of such payment as provided in Article 5 hereof in US dollars ("**Payment Distribution**") no later than 3:00 P.M. (Central time) on the same Banking Day as such payment is received by the Administrative Agent if received no later than 1:00 P.M. (Central time) or the next Banking Day if received by the Administrative Agent thereafter. Any Syndication Party's rights to its Payment Distribution shall be subject to the rights of any Contributing Syndication Parties to such amounts as set forth in Section 14.3 hereof.

14.9 Distribution of Certain Amounts. The Administrative Agent shall (a) receive and hold in trust for the benefit of all present and future Syndication Parties, in the Payment Account and, if requested in writing by the Required Lenders, segregated from the Administrative Agent's other funds and accounts; and (b) shall remit to the Syndication Parties, as indicated, the amounts described below:

14.9.1 Funding Losses. To each Syndication Party the amount of any Funding Losses paid by Borrower to the Administrative Agent in connection with a prepayment of any portion of a LIBO Rate Loan, in accordance with the Funding Loss Notice such Syndication Party provided to the Administrative Agent, no later than 3:00 P.M. (Central time) on the same Banking Day that payment of such Funding Losses is received by the Administrative Agent, if received no later than 1:00 P.M. (Central time), or the next Banking Day if received by the Administrative Agent thereafter.

14.9.2 Fees. To each Syndication Party (a) its Individual Revolving Pro Rata Share of the Revolving Commitment Fee paid by Borrower to the Administrative Agent; and (b) its Individual Term Pro Rata Share of the Term Commitment Fee paid by Borrower to the Administrative Agent, in each case, no later than 3:00 P.M. (Central time) on the same Banking Day that payment of such fee is received by the Administrative Agent, if received no later than 1:00 P.M. (Central time), or the next Banking Day if received by the Administrative Agent thereafter.

14.10 Possession of Loan Documents. The Loan Documents (other than the Notes) shall be held by the Administrative Agent in its name, for the ratable benefit of itself and the other Syndication Parties without preference or priority.

14.11 Collateral Application. The Syndication Parties shall have no interest in any other loans made to Borrower by any other Syndication Party other than the Loans, or in any property taken as security for any other loan or loans made to Borrower by any other Syndication Party, or in any property now or hereinafter in the possession or control of any other Syndication Party, which may be or become security for the Loans solely by reason of the provisions in a security instrument that would cause such security instrument and the property covered thereby to secure generally all indebtedness owing by Borrower to such other Syndication Party. Notwithstanding the foregoing, to the extent such other Syndication Party applies such funds or the proceeds

of such property to reduction of the Loans, such other Syndication Party shall share such funds or proceeds with all Syndication Parties according to their respective Individual Pro Rata Shares. In the event that any Syndication Party shall obtain payment, whether partial or full, from any source in respect of the Loans, including without limitation payment by reason of the exercise of a right of offset, banker's lien, general lien, or counterclaim, such Syndication Party shall promptly make such adjustments (which may include payment in cash or the purchase of further syndications or participations in the Loans) to the end that such excess payment shall be shared with all other Syndication Parties in accordance with their respective Individual Pro Rata Shares.

14.12 Amounts Required to be Returned. If the Administrative Agent makes any payment to a Syndication Party in anticipation of the receipt of final funds from Borrower, and such funds are not received from Borrower, or if excess funds are paid by the Administrative Agent to any Syndication Party as the result of a miscalculation by the Administrative Agent, then such Syndication Party shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent any such amounts, plus interest thereon (from the day such amounts were transferred by the Administrative Agent to the Syndication Party to, but not including, the day such amounts are returned by Syndication Party) at a rate per annum equal to the customary rate set by the Administrative Agent for the correction of errors among banks for three (3) Banking Days and thereafter at the Base Rate. If the Administrative Agent is required at any time to return to Borrower or a trustee, receiver, liquidator, custodian, or similar official any portion of the payments made by Borrower to the Administrative Agent, whether pursuant to any bankruptcy or insolvency law or otherwise, then each Syndication Party shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent any such payments transferred to such Syndication Party by the Administrative Agent but without interest or penalty (unless the Administrative Agent is required to pay interest or penalty on such amounts to the person recovering such payments).

14.13 Reports and Information to Syndication Parties. The Administrative Agent shall use reasonable efforts to provide to the Syndication Parties, as soon as practicable after actual knowledge thereof is acquired by an officer thereof primarily responsible for the Administrative Agent's duties as such with respect to the Loans or primarily responsible for the credit relationship, if any, between the Administrative Agent and Borrower, any material factual information which has a material adverse effect on the creditworthiness of Borrower and Borrower hereby authorizes such disclosure by the Administrative Agent to the Syndication Parties (and by the Syndication Parties to any of their participants). Failure of the Administrative Agent to provide the information referred to in this Section or in Subsection 14.6.4 hereof shall not result in any liability upon, or right to make a claim against, the Administrative Agent except where a court of competent jurisdiction renders a final non-appealable determination that such failure is a result of the willful misconduct or gross negligence of the Administrative Agent. The Syndication Parties acknowledge and agree that all information and reports received pursuant to this Credit Agreement will be received in confidence in connection with their Syndication Interest, and that such information and

reports constitute confidential information and shall not, without the prior written consent of the Administrative Agent or Borrower, as applicable, be (x) disclosed to any third party (other than the Administrative Agent, another Syndication Party or potential Syndication Party, or a participant or potential participant in the interest of a Syndication Party, which disclosure is hereby approved by Borrower), except pursuant to appropriate legal or regulatory process, or (y) used by the Syndication Party except in connection with the Loans and its Syndication Interest.

14.14 Standard of Care. The Administrative Agent shall not be liable to the Syndication Parties for any error in judgment or for any action taken or not taken by the Administrative Agent or its agents, except for its gross negligence or willful misconduct. Subject to the preceding sentence, the Administrative Agent will exercise the same care in administering the Loans and the Loan Documents as it exercises for similar loans which it holds for its own account and risk, and the Administrative Agent shall not have any further responsibility to the Syndication Parties. Without limiting the foregoing, the Administrative Agent may rely on the advice of counsel concerning legal matters and on any written document it believes to be genuine and correct and to have been signed or sent by the proper Person or Persons.

14.15 No Trust Relationship. Neither the execution of this Credit Agreement, nor the sharing in the Loans, nor the holding of the Loan Documents in its name by the Administrative Agent, nor the management and administration of the Loans and Loan Documents by the Administrative Agent (including the obligation to hold certain payments and proceeds in the Payment Account in trust for the Syndication Parties), nor any other right, duty or obligation of the Administrative Agent under or pursuant to this Credit Agreement, is intended to be or create, and none of the foregoing shall be construed to be or create, any express, implied or constructive trust relationship between the Administrative Agent and any Syndication Party. Each Syndication Party hereby agrees and stipulates that the Administrative Agent is not acting as trustee for such Syndication Party with respect to the Loans, this Credit Agreement, or any aspect of either, or in any other respect.

14.16 Sharing of Costs and Expenses. To the extent not paid by Borrower, each Syndication Party will promptly upon demand reimburse the Administrative Agent for its Individual Pro Rata Share of all reasonable costs, disbursements, and expenses incurred by the Administrative Agent on or after the date of this Credit Agreement for legal, accounting, consulting, and other services rendered to the Administrative Agent in its role as the Administrative Agent in the administration of the Loans, interpreting the Loan Documents, and protecting, enforcing, or otherwise exercising any rights, both before and after default by Borrower under the Loan Documents, and including, without limitation, all costs and expenses incurred in connection with any bankruptcy proceedings; provided, however, that the costs and expenses to be shared in accordance with this Section shall not include any costs or expenses incurred by the Administrative Agent solely as a Syndication Party in connection with the Loans, nor the Administrative Agent's internal costs and expenses.

14.17 Syndication Parties' Indemnification of the Administrative Agent. Each of the Syndication Parties agree to indemnify the Administrative Agent, including any Successor Agent, and their respective directors, officers, employees, agents, professional advisers and representatives ("**Indemnified Agency Parties**"), (to the extent not reimbursed by Borrower, and without in any way limiting the obligation of Borrower to do so), ratably (based on their respective Individual Pro Rata Shares), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans and/or the expiration or termination of this Credit Agreement) be imposed on, incurred by or asserted against the Administrative Agent (or any of the Indemnified Agency Parties while acting for the Administrative Agent or for any Successor Agent) in any way relating to or arising out of this Credit Agreement or the Loan Documents, or the performance of the duties of the Administrative Agent hereunder or thereunder or any action taken or omitted while acting in the capacity of the Administrative Agent under or in connection with any of the foregoing; provided that the Syndication Parties shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of an Indemnified Agency Party to the extent that any of the forgoing result from the gross negligence or willful misconduct of that Indemnified Agency Party as determined by the final non-appealable judgment of a court of competent jurisdiction. The agreements and obligations in this Section shall survive the payment of the Loans and the expiration or termination of this Credit Agreement.

14.18 Books and Records. The Administrative Agent shall maintain such books of account and records relating to the Loans as it maintains with respect to other loans of similar type and amount, and which shall clearly and accurately reflect the Syndication Interest of each Syndication Party. Syndication Parties, or their agents, may inspect such books of account and records at all reasonable times during the Administrative Agent's regular business hours.

14.19 Administrative Agent Fee. The Administrative Agent and any Successor Agent shall be entitled to the Administrative Agent Fee (as such fee is set forth in the Fee Letter) for acting as the Administrative Agent. In the event the Successor Agent is contractually entitled to an additional fee, each Syndication Party will be responsible for its proportionate share (based on its Individual Pro Rata Share) thereof.

14.20 The Administrative Agent's Resignation or Removal. The Administrative Agent may resign at any time by giving at least sixty (60) days' prior written notice of its intention to do so to each of the Syndication Parties and Borrower. After the receipt of such notice, the Required Lenders shall appoint a successor ("**Successor Agent**"). If (a) no Successor Agent shall have been so appointed which is either (i) a Syndication Party, or (ii) if not a Syndication Party, which is a Person approved by Borrower, or (b) if such Successor Agent has not accepted such appointment, in either case within forty-five (45) days after the retiring Administrative Agent's giving of such notice of resignation, then the retiring Administrative Agent may, after consulting with, but without requiring the approval of, Borrower, appoint a

Successor Agent which shall be a bank or a trust company organized under the laws of the United States of America or any state thereof and having a combined capital, surplus and undivided profit of at least \$250,000,000.00. Any Administrative Agent may be removed upon the written demand of the Required Lenders, which demand shall also appoint a Successor Agent. Upon the appointment of a Successor Agent hereunder, (y) the term "Administrative Agent" shall for all purposes of this Credit Agreement thereafter mean such Successor Agent, and (z) the Successor Agent shall notify Borrower of its identity and of the information called for in Subsection 15.4.2 hereof. After any retiring Administrative Agent's resignation hereunder as the Administrative Agent, or the removal hereunder of any Administrative Agent, the provisions of this Credit Agreement shall continue to inure to the benefit of such Administrative Agent as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Credit Agreement.

14.21 Representations and Warranties of All Parties. The Administrative Agent and each Syndication Party represents and warrants that: (a) the execution and delivery of, and performance of its obligations under, this Credit Agreement is within its power and has been duly authorized by all necessary corporate and other action by it; (b) this Credit Agreement is in compliance with all applicable laws and regulations promulgated under such laws and does not conflict with nor constitute a breach of its charter or by-laws nor any agreements by which it is bound, and does not violate any judgment, decree or governmental or administrative order, rule or regulation applicable to it; (c) no approval, authorization or other action by, or declaration to or filing with, any governmental or administrative authority or any other Person is required to be obtained or made by it in connection with the execution and delivery of, and performance of its obligations under, this Credit Agreement; and (d) this Credit Agreement has been duly executed by it, and constitutes the legal, valid, and binding obligation of such Person, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity). Each Syndication Party that is a state or national bank represents and warrants that the act of entering into and performing its obligations under this Credit Agreement has been approved by its board of directors or its loan committee and such action was duly noted in the written minutes of the meeting of such board or committee, and that it will, if requested to do so by the Administrative Agent, furnish the Administrative Agent with a certified copy of such minutes or an excerpt therefrom reflecting such approval.

14.22 Representations and Warranties of CoBank. Except as expressly set forth in Section 14.21 hereof, the Administrative Agent makes no express or implied representation or warranty and assumes no responsibilities with respect to the due authorization, execution, or delivery of the Loan Documents; the accuracy of any information, statements, or certificates provided by Borrower, the legality, validity, or enforceability of the Loan Documents; the value of any Collateral, the filing or recording of any document; the collectibility of the Loans; the performance by Borrower of any of its obligations under the Loan Documents; or the financial condition or solvency of Borrower or any other party obligated with respect to the Loans or the Loan Documents.

14.23 Syndication Parties' Independent Credit Analysis. Each Syndication Party acknowledges receipt of true and correct copies of all Loan Documents (other than any Note payable to another Syndication Party) from the Administrative Agent. Each Syndication Party agrees and represents that it has relied upon its independent review (a) of the Loan Documents, and (b) any information independently acquired by such Syndication Party from Borrower or otherwise in making its decision to acquire an interest in the Loans independently and without reliance on the Administrative Agent. Each Syndication Party represents and warrants that it has obtained such information as it deems necessary (including any information such Syndication Party independently obtained from Borrower or others) prior to making its decision to acquire an interest in the Loans. Each Syndication Party further agrees and represents that it has made its own independent analysis and appraisal of and investigation into each Borrower's authority, business, operations, financial and other condition, creditworthiness, and ability to perform its obligations under the Loan Documents and has relied on such review in making its decision to acquire an interest in the Loans. Each Syndication Party agrees that it will continue to rely solely upon its independent review of the facts and circumstances related to Borrower, and without reliance upon the Administrative Agent, in making future decisions with respect to all matters under or in connection with the Loan Documents and the Loans. The Administrative Agent assumes no responsibility for the financial condition of Borrower or for the performance of Borrower's obligations under the Loan Documents. Except as otherwise expressly provided herein, no Syndication Party shall have any duty or responsibility to furnish to any other Syndication Parties any credit or other information concerning Borrower which may come into its possession.

14.24 No Joint Venture or Partnership. Neither the execution of this Credit Agreement, the sharing in the Loans, nor any agreement to share in payments or losses arising as a result of this transaction is intended to be or to create, and the foregoing shall not be construed to be, any partnership, joint venture or other joint enterprise between the Administrative Agent and any Syndication Party, nor between or among any of the Syndication Parties.

14.25 Purchase for Own Account; Restrictions on Transfer; Participations. Each Syndication Party represents that it has acquired and is retaining its interest in the Loans for its own account in the ordinary course of its banking or financing business. Each Syndication Party agrees that it will not sell, assign, convey or otherwise dispose of ("**Transfer**") to any Person, or create or permit to exist any lien or security interest on, all or any part of its interest in the Loans without the prior written consent of the Administrative Agent and Borrower (which consent will not be unreasonably withheld); provided that: (a) any such Transfer (except a Transfer to another Syndication Party) must be in a minimum amount of \$5,000,000.00; (b) each Syndication Party must maintain an Individual Commitment of no less than \$5,000,000.00, unless it Transfers its entire interest in the Loans; (c) no consent shall be required from Borrower during any period when an Event of Default shall have occurred and be

continuing; (d) the transferee must execute an agreement substantially in the form of Exhibit 14.25 hereto (“**Syndication Acquisition Agreement**”) and assume all of the transferor’s obligations hereunder and execute such documents as the Administrative Agent may reasonably require; and (e) the Syndication Party making such Transfer must pay the Administrative Agent an assignment fee of \$3,500.00. Upon receipt of such fee and the properly executed Syndication Acquisition Agreement, the assignee of such Transfer shall thereafter be treated as the Syndication Party with respect to the Syndication Interest subject to the Transfer and shall receive all future Payment Distributions, and the assignor and assignee shall make all adjustments and payments between themselves appropriate with respect to such future Payment Distributions. Any Syndication Party may participate any part of its interest in the Loans to any Person with the prior written consent of the Administrative Agent and Borrower (which consent will not be unreasonably withheld), provided that (l) no such consent shall be required where the participant is a Person at least fifty percent (50%) the equity interest in which is owned by such Syndication Party or which owns at least fifty percent (50%) of the equity interest in such Syndication Party or at least fifty percent (50%) of the equity interest of which is owned by the same Person which owns at least fifty percent (50%) of the equity interest of such Syndication Party and (m) no consent shall be required from Borrower during any period when an Event of Default shall have occurred and be continuing, and, further, each Syndication Party understands and agrees that in the event of any such participation: (y) its obligations hereunder will not change on account of such participation, and (z) except as provided in Section 14.26 hereof with respect to voting rights, (i) the participant will have no rights under this Credit Agreement, including, without limitation, voting rights (except for such participants which qualify as a Voting Participant) or the right to receive payments or distributions; and (ii) the Administrative Agent shall continue to deal directly with the Syndication Party with respect to the Loans (including with respect to voting rights - except for such participants which qualify as a Voting Participant) as though no participation had been granted and will not be obligated to deal directly with any participant. Notwithstanding any provision contained herein to the contrary, any Syndication Party may at any time pledge or assign all or any portion of its interest in the Loans to any Federal Reserve Bank or the Federal Farm Credit Bank’s Funding Corporation in accordance with applicable law. Agriland and each Farm Credit System Institution that becomes a Syndication Party, reserves the right to sell participations on a patronage released or non-patronage basis.

14.26 Certain Participants’ Voting Rights. All Persons who (a) have purchased a participation interest in the minimum amount of \$10,000,000.00 in a Syndication Party’s Syndication Interest on or after the Closing Date; and (b) are, by written notice (“**Voting Participant Notification**”), designated, by Agriland or any other Syndication Party (as applicable), to Borrower and to the Administrative Agent as being entitled to be accorded the rights of a Voting Participant hereunder (each a “**Voting Participant**”), shall be entitled to vote (and the voting rights of Agriland or such Syndication Party, as applicable, shall be correspondingly reduced), on a dollar basis, as if such participant were a Syndication Party, on any matter requiring or allowing a Syndication Party, to provide or withhold its consent, or to otherwise vote on any proposed action. To be effective, each Voting Participant Notification shall, with

respect to such Voting Participant, (i) state the full name, as well as all contact information required of a Syndication Party as set forth on the Syndication Party signature page hereto, (ii) state the dollar amount of participation interest purchased.

14.27 Method of Making Payments. Payment and transfer of all amounts owing or to be paid or remitted hereunder to the Administrative Agent by the Syndication Parties, including, without limitation, payment of the Advance Payment, shall be by wire transfer in accordance with the instructions contained on Exhibit 14.27 hereto (“**Wire Instructions**”). Payment and transfer of all amounts to be paid or remitted hereunder to the Syndication Parties by the Administrative Agent, including, without limitation, Payment Distributions, shall be by wire transfer in accordance with the instructions contained on their respective signature pages hereto.

14.28 Events of Syndication Default/Remedies.

14.28.1 Syndication Party Default. Any of the following occurrences, failures or acts, with respect to any of the Syndication Parties shall constitute an “**Event of Syndication Default**” hereunder by such Syndication Party: (a) if any representation or warranty made by such Syndication Party in this Credit Agreement shall be found to have been untrue in any material respect; (b) if such Syndication Party fails to make any distributions or payments required under this Credit Agreement within five (5) days of the date required; (c) if such Syndication Party breaches any other covenant, agreement, or provision of this Credit Agreement which breach shall have continued uncured for a period of thirty (30) consecutive days after such breach first occurs, unless a shorter period is required to avoid prejudicing the rights and position of the other Syndication Parties; (d) if any agency having supervisory authority over such Syndication Party, or any creditors thereof, shall file a petition to reorganize or liquidate such Syndication Party pursuant to any applicable federal or state law or regulation and such petition shall not be discharged or denied within fifteen (15) days after the date on which it is filed; (e) if by the order of a court of competent jurisdiction or by any appropriate supervisory agency, a receiver, trustee or liquidator shall be appointed for such Syndication Party or for all or any material part of its property or if such Syndication Party shall be declared insolvent; or (f) if such Syndication Party shall be dissolved, or shall make an assignment for the benefit of its creditors, or shall file a petition seeking to take advantage of any debtors’ act, including the bankruptcy act, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or liquidator of all or any material part of its property.

14.28.2 Remedies. Upon the occurrence of an Event of Syndication Default, the non-defaulting Syndication Parties, acting by, or through the direction of, a simple majority of the non-defaulting Syndication Parties (determined based on the ratio of the total of their Individual Commitments to the Aggregate Commitment (after subtracting the amount of the Individual Commitment of the defaulting Syndication Party from the Aggregate Commitment)), may, in addition to any other remedy specifically set forth in this Credit Agreement, have and exercise any and all remedies available generally at law or equity, including the right to damages and to specific performance.

14.29 Withholding Taxes. Each Syndication Party represents that it is entitled to receive any payments to be made to it hereunder without the withholding of any tax and will furnish to the Administrative Agent and to Borrower such forms, certifications, statements and other documents as the Administrative Agent or Borrower may request from time to time to evidence such Syndication Party's exemption from the withholding of any tax imposed by any jurisdiction or to enable the Administrative Agent or Borrower, as the case may be, to comply with any applicable laws or regulations relating thereto. Without limiting the effect of the foregoing, if any Syndication Party is not created or organized under the laws of the United States of America or any state thereof, such Syndication Party will furnish to the Administrative Agent and Borrower IRS Form 4224 or Form 1001, or such other forms, certifications, statements or documents, duly executed and completed by such Syndication Party, as evidence of such Syndication Party's exemption from the withholding of United States tax with respect thereto. Notwithstanding anything herein to the contrary, Borrower shall not be obligated to make any payments hereunder to or for the benefit of such Syndication Party until such Syndication Party shall have furnished to the Administrative Agent and Borrower the requested form, certification, statement or document.

14.30 Amendments Concerning Agency Function. The Administrative Agent shall not be bound by any waiver, amendment, supplement or modification of this Credit Agreement or any other Loan Document which affects its duties hereunder or thereunder unless it shall have given its prior written consent thereto.

14.31 Reallocation of Outstanding Advances. Each of the Syndication Parties agrees that: (a) the aggregate outstanding balance of Advances under the 2004 Credit Agreement as of the Closing Date shall on such date be aggregated and reallocated among the Syndication Parties (as though they were Revolving Advances hereunder) in accordance with the ratio which their Individual Revolving Commitment bears to the Aggregate Revolving Commitment on such date as determined by the Administrative Agent; and (c) to the extent such reallocation as described in clause (a) of this Section ("**Reallocation**") results in the Revolving Advances allocated to any Syndication Party being in excess of the Advances which were allocated to such Syndication Party under the 2004 Credit Agreement immediately prior to such Reallocation, such Syndication Party shall remit to the Administrative Agent funds in the amount of such excess by 2:00 P.M. (Central time) on the Closing Date in the manner provided in Section 14.27 hereof. To the extent such Reallocation results in the Advances allocated to any Syndication Party being less than the Advances which were allocated to such Syndication Party under the 2004 Credit Agreement immediately prior to such Reallocation ("**Reduction**"), the Administrative Agent shall, from funds it receives pursuant to clause (c) of this Section, remit the amount of such Reduction to such Syndication Party in the manner provided in Section 14.27 hereof.

14.32 Replacement of Holdout Lender. If any action to be taken by the Syndication Parties or the Administrative Agent hereunder requires the unanimous

consent, authorization, or agreement of all Syndication Parties and Voting Participants, and a Syndication Party or Voting Participant (“**Holdout Lender**”) fails to give its consent, authorization, or agreement, then the Administrative Agent, upon at least five (5) Banking Days prior irrevocable notice to the Holdout Lender, may permanently replace the Holdout Lender with one or more substitute Syndication Parties (each, a “**Replacement Lender**”), and the Holdout Lender shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Banking Days after the date such notice is given. Prior to the effective date of such replacement, the Holdout Lender and each Replacement Lender shall execute and deliver a Syndication Acquisition Agreement, subject only to the Holdout Lender being repaid its full share of the outstanding Bank Debt without any premium, discount, or penalty of any kind whatsoever. If the Holdout Lender shall refuse or fail to execute and deliver any such Syndication Acquisition Agreement prior to the effective date of such replacement, the Holdout Lender shall be deemed to have executed and delivered such Syndication Acquisition Agreement. The replacement of any Holdout Lender shall be made in accordance with the terms of Section 14.25 hereof and this Section. Until such time as the Replacement Lenders shall have acquired all of the Syndication Interest of the Holdout Lender hereunder and under the other Loan Documents, the Holdout Lender shall remain obligated to provide the Holdout Lender’s Funding Share of Advances. In the event that the Holdout Lender is a Voting Participant, (a) the Syndication Party through which such Voting Participant acquired its interest shall have the first option to repurchase such participation interest and be the Replacement Lender; provided (b) if the Syndication Party through which such Voting Participant acquired its interest does not, within five (5) Banking Days after the Administrative Agent has given notice to the Holdout Lender as provided above, elect to become the Replacement Lender, then such Syndication Party shall cancel or re-acquire such Voting Participant’s interest and shall sell to the Replacement Lender(s) an interest in its Individual Revolving Commitment and/or Individual Term Commitment, as applicable, equivalent to the Voting Participant interest.

14.33 Further Assurances. The Administrative Agent and each Syndication Party agree to take whatever steps and execute such documents as may be reasonable and necessary to implement this Article 14 and to carry out fully the intent thereof.

ARTICLE 15. MISCELLANEOUS

15.1 Costs and Expenses. To the extent permitted by law, Borrower agrees to pay to the Administrative Agent and/or the Syndication Parties, as applicable, on demand, all out-of-pocket costs and expenses (a) reasonably incurred by the Administrative Agent (including, without limitation, the reasonable fees and expenses of counsel retained by the Administrative Agent, and including fees and expenses incurred for consulting, appraisal, engineering, inspection, and environmental assessment services) in connection with the preparation, negotiation, and execution of the Fee Letter, mandate letter, Summary of Terms and Conditions, the GK Security Documents, the other Loan Documents, and the transactions contemplated thereby, processing the Borrowing Notices, and processing requests for and implementing Pari

Passu Loans, and (b) incurred by the Administrative Agent or any Syndication Party (including, without limitation, the reasonable fees and expenses of counsel retained by the Administrative Agent and the Syndication Parties) in connection with the enforcement or protection of the Syndication Parties' rights under the Loan Documents upon the occurrence of an Event of Default, including without limitation collection of the Loan or enforcement of rights against the Collateral (regardless of whether such enforcement or collection is by court action or otherwise) or, unless it is determined by a final non-appealable judgment that the Administrative Agent or such Syndication Party, as applicable, has acted in a grossly negligent or willful manner, upon the commencement of an action by Borrower against the Administrative Agent or any Syndication Party. Borrower shall not be obligated to pay the costs or expenses of any Person whose only interest in the Loan is as a holder of a participation interest.

15.2 Service of Process and Consent to Jurisdiction. Borrower and each Syndication Party hereby agrees that any litigation with respect to this Credit Agreement or to enforce any judgment obtained against such Person for breach of this Credit Agreement or under the Notes or other Loan Documents may be brought in the courts of the State of Colorado and in the United States District Court for the District of Colorado (if applicable subject matter jurisdictional requirements are present), as the Administrative Agent may elect; and, by execution and delivery of this Credit Agreement, Borrower and each Syndication Party irrevocably submits to such jurisdiction. With respect to litigation concerning this Credit Agreement or under the Notes or other Loan Documents within the jurisdiction of the courts of the State of Colorado or the United States District Court for the District of Colorado, Borrower and each Syndication Party hereby irrevocably appoints, until six (6) months after the expiration of the Maturity Date (as it may be extended at anytime), The Corporation Company, or such other Person as it may designate in writing to the Administrative Agent, in each case with offices in Denver, Colorado and otherwise reasonably acceptable to the Administrative Agent to serve as the agent of Borrower or such Syndication Party to receive for and on its behalf at such agent's Denver, Colorado office, service of process, which service may be made by mailing a copy of any summons or other legal process to such Person in care of such agent. Borrower and each Syndication Party agrees that it shall maintain a duly appointed agent in Colorado for service of summons and other legal process as long as it remains obligated under this Credit Agreement and shall keep the Administrative Agent advised in writing of the identity and location of such agent. The receipt by such agent and/or by Borrower or such Syndication Party, as applicable, of such summons or other legal process in any such litigation shall be deemed personal service and acceptance by Borrower or such Syndication Party, as applicable, for all purposes of such litigation.

15.3 Jury Waiver. IT IS MUTUALLY AGREED BY AND BETWEEN THE ADMINISTRATIVE AGENT, EACH SYNDICATION PARTY, AND BORROWER THAT THEY EACH WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST ANY OTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS CREDIT AGREEMENT, THE NOTES, OR THE OTHER LOAN DOCUMENTS.

15.4 Notices. All notices, requests and demands required or permitted under the terms of this Credit Agreement shall be in writing and (a) shall be addressed as set forth below or at such other address as either party shall designate in writing, (b) shall be deemed to have been given or made: (i) if delivered personally, immediately upon delivery, (ii) if by telex, telegram, or facsimile transmission, immediately upon sending and upon confirmation of receipt, (iii) if by nationally recognized overnight courier service with instructions to deliver the next Banking Day, one (1) Banking Day after sending, and (iv) if by United States Mail, certified mail, return receipt requested, five (5) days after mailing.

15.4.1 Borrower:

Pilgrim's Pride Corporation

4845 US Highway 271 N

Pittsburg, Texas 75686

FAX: (972) 290-8950

Attention: Chief Financial Officer

with a copy to:

Baker & McKenzie LLP

4500 Trammell Crow Center

2001 Ross Avenue

Dallas, Texas 75201

FAX: (214) 965-5902

Attention: Alan G. Harvey

15.4.2 Administrative Agent:

CoBank, ACB

5500 South Quebec Street

Greenwood Village, Colorado 80111

FAX: (303) 694-5830

Attention: Syndications Coordinator, Corporate Finance Division

15.4.3 Agriland:

Agriland, FCS

3210 W. Northwest Loop 323

Tyler, Texas 75702

FAX: (903) 693-6588

Attention: Steve Ogletree

15.4.4 Syndication Parties:

See signature pages hereto.

15.5 Liability of Administrative Agent and Co-Arrangers. Neither the Administrative Agent, the Co-Syndication Agents, nor the Co-Arrangers shall have any liabilities or responsibilities to Borrower or any Subsidiary on account of the failure of any Syndication Party to perform its obligations hereunder or to any Syndication Party on account of the failure of Borrower or any Subsidiary to perform their respective obligations hereunder or under any other Loan Document.

15.6 Successors and Assigns. This Credit Agreement shall be binding upon and inure to the benefit of Borrower, the Administrative Agent, the Co-Arrangers, the Co-Syndication Agents, and the Syndication Parties, and their respective successors and assigns, except that Borrower may not assign or transfer its rights or obligations hereunder without the prior written consent of all of the Syndication Parties.

15.7 Severability. The invalidity or unenforceability of any provision of this Credit Agreement or the other Loan Documents shall not affect the remaining portions of such documents or instruments; in case of such invalidity or unenforceability, such documents or instruments shall be construed as if such invalid or unenforceable provisions had not been included therein.

15.8 Entire Agreement. This Credit Agreement (together with all exhibits hereto, which are incorporated herein by this reference), the other Loan Documents, represent the entire understanding of the Administrative Agent, the Co-Arrangers, each Syndication Party, and Borrower with respect to the subject matter hereof and shall replace and supersede any previous agreements of the parties with respect to the subject matter hereof except for the indemnification provisions in the Mandate Letter.

15.9 Applicable Law. To the extent not governed by federal law, this Credit Agreement and the other Loan Documents, and the rights and obligations of the parties hereto and thereto shall be governed by and interpreted in accordance with the internal laws of the State of Colorado, without giving effect to any otherwise applicable rules concerning conflicts of law.

15.10 Captions. The captions or headings in this Credit Agreement and any table of contents hereof are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Credit Agreement.

15.11 Complete Agreement; Amendments. This Credit Agreement, the Notes, and the other Loan Documents, along with the indemnification provisions in the Mandate Letter, are intended by the parties hereto to be a complete and final expression of their agreement and may not be contradicted by evidence of any prior or contemporaneous oral agreement. The Administrative Agent, each Syndication Party, and Borrower acknowledge and agree that there is no unwritten oral agreement between them with respect to the subject matter of this Credit Agreement. This Credit Agreement may not be modified or amended unless such modification or amendment is

in writing and is signed by Borrower, the Administrative Agent, the Co-Arrangers, and the Required Lenders or, where this Credit Agreement requires the consent of all Syndication Parties, then by all of the Syndication Parties (and each Syndication Party hereby agrees to execute any such amendment approved pursuant to Section 14.7 hereof). Borrower agrees that it shall reimburse the Administrative Agent for all reasonable fees and expenses incurred by the Administrative Agent in retaining outside legal counsel in connection with any amendment or modification to this Credit Agreement.

15.12 Additional Costs of Maintaining Loan. Borrower shall pay to the Administrative Agent from time to time such amounts as the Administrative Agent may determine to be necessary to compensate any Syndication Party for any increase in costs to such Syndication Party which the Administrative Agent reasonably determines, based on information presented to it by such Syndication Party, are attributable to such Syndication Party's making or maintaining an Advance hereunder or its obligation to make such Advance, or any reduction in any amount receivable by such Syndication Party under this Credit Agreement or the Notes payable to it in respect to such Advance or such obligation (such increases in costs and reductions in amounts receivable being herein called "**Additional Costs**"), resulting from any change after the date of this Credit Agreement in United States federal, state, municipal, or foreign laws or regulations (including Regulation D of the Federal Reserve Board), or the adoption or making after such date of any interpretations, directives, or requirements applying to a class of banks or financial institutions including such Syndication Party of or under any United States federal, state, municipal, or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof ("**Regulatory Change**"), which: (a) changes the basis of taxation of any amounts payable to such Syndication Party under this Credit Agreement or the Notes payable to such Syndication Party in respect of such Advance (other than taxes imposed on the overall net income of such Syndication Party); or (b) imposes or modifies any reserve, special deposit, or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Syndication Party; or (c) imposes any other condition affecting this Credit Agreement or the Notes payable to such Syndication Party (or any of such extensions of credit or liabilities). The Administrative Agent will notify Borrower of any event occurring after the date of this Credit Agreement which will entitle such Syndication Party to compensation pursuant to this Section as promptly as practicable after it obtains knowledge thereof and determines to request such compensation. The Administrative Agent shall include with such notice, a certificate from such Syndication Party setting forth in reasonable detail the calculation of the amount of such compensation. Determinations by the Administrative Agent for purposes of this Section of the effect of any Regulatory Change on the costs of such Syndication Party of making or maintaining an Advance or on amounts receivable by such Syndication Party in respect of Advances, and of the additional amounts required to compensate such Syndication Party in respect of any Additional Costs, shall be conclusive absent manifest error, provided that such determinations are made on a reasonable basis.

15.13 Capital Requirements. In the event after the date of this Credit Agreement of the introduction of or any change in: (a) any law or regulation; (b) the judicial, administrative, or other governmental interpretation of any law or regulation; or (c) compliance by any Syndication Party or any corporation controlling any such Syndication Party with any guideline or request from any governmental authority (whether or not having the force of law) has the effect of requiring an increase in the amount of capital required or expected to be maintained by such Syndication Party or any corporation controlling such Syndication Party, and such Syndication Party certifies, based on a reasonable determination, that such increase is based in any part upon such Syndication Party's obligations hereunder with respect to the Revolving Loan, and other similar obligations, Borrower shall pay to such Syndication Party such additional amount as shall be certified by such Syndication Party to the Administrative Agent and to Borrower to be the net present value of (y) the amount by which such increase in capital reduces the rate of return on capital which such Syndication Party could have achieved over the period remaining until the Maturity Date, but for such introduction or change, (z) multiplied by the product of such Syndication Party's Individual Pro Rata Share times the Aggregate Commitment. The Administrative Agent will notify Borrower of any event occurring after the date of this Credit Agreement that will entitle any such Syndication Party to compensation pursuant to this Section as promptly as practicable after it obtains knowledge thereof and of such Syndication Party's determination to request such compensation. The Administrative Agent shall include with such notice, a certificate from such Syndication Party setting forth in reasonable detail the calculation of the amount of such compensation. Determinations by any Syndication Party for purposes of this Section of the effect of any increase in the amount of capital required to be maintained by any such Syndication Party and of the amount of compensation owed to any such Syndication Party under this Section shall be conclusive absent manifest error, provided that such determinations are made on a reasonable basis.

15.14 Replacement Notes. Upon receipt by Borrower of evidence satisfactory to it of: (a) the loss, theft, destruction or mutilation of any Note, and (in case of loss, theft or destruction) of the agreement of the Syndication Party to which the Note was payable to indemnify Borrower, and upon surrender and cancellation of such Note, if mutilated; or (b) the assignment by any Syndication Party of all or a portion of its Syndication Interest hereunder and the Note relating thereto, pursuant to this Credit Agreement, including assignments as a result of the Reallocation, then Borrower will deliver in lieu of such Note a new Note or, in the case of an assignment of a portion of a Syndication Interest, new Notes, for any remaining balance. All Notes executed pursuant to this Section shall be dated as of the Effective Date. The Syndication Parties shall, as soon as practical after receipt of such new executed Notes, return to Borrower the Note which has been replaced by such new Note or Notes.

15.15 Mutual Release. Upon full indefeasible payment and satisfaction of the Bank Debt and Notes and the other obligations contained in this Credit Agreement, the parties, including Borrower, the Administrative Agent, the Co-Arrangers, and each Syndication Party shall, except as provided in Articles 12 and 14 hereof, thereupon automatically each be fully, finally, and forever released and discharged from any further claim, liability, or obligation in connection with the Bank Debt.

15.16 Liberal Construction. This Credit Agreement constitutes a fully negotiated agreement between commercially sophisticated parties, each assisted by legal counsel, and shall not be construed and interpreted for or against any party hereto.

15.17 Counterparts. This Credit Agreement may be executed by the parties hereto in separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. Copies of documents or signature pages bearing original signatures, and executed documents or signature pages delivered by a party by telefax, facsimile, or e-mail transmission of an Adobe® file format document (also known as a PDF file) shall, in each such instance, be deemed to be, and shall constitute and be treated as, an original signed document or counterpart, as applicable. Any party delivering an executed counterpart of this Credit Agreement by telefax, facsimile, or e-mail transmission of an Adobe file format document also shall deliver an original executed counterpart of this Credit Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Credit Agreement.

15.18 Confidentiality. Each Syndication Party shall, subject to the exceptions below, maintain the confidential nature of, and shall not use or disclose, any of Borrower's financial information, confidential information or trade secrets without first obtaining Borrower's written consent. Nothing in this Section shall require any Syndication Party to obtain such consent following the occurrence and during the continuation of an Event of Default in connection with the exercise by the Administrative Agent or any Syndication Party of its or their rights and remedies hereunder or under any of the other Loan Documents. The obligations of the Syndication Parties shall in no event apply to: (a) providing information about Borrower to any financial institution contemplated in Sections 14.6, 14.13, and 14.25 hereof or to such Syndication Party's parent holding company or any of such Syndication Party's affiliates (provide such Person is bound by similar confidentiality provisions limiting further disclosure); (b) any situation in which any Syndication Party is required by law, regulation, or subpoena or required by any Governmental Authority (which term shall, for the purposes of this Section 15.18 specifically include the National Association of Insurance Commissioners) to disclose information; (c) providing information to counsel to the Administrative Agent or any Syndication Party in connection with the transactions contemplated by the Loan Documents or in connection with the exercise of its or their rights or remedies thereunder; (d) providing information to officers, directors, employees, agents and representatives of such Syndication Party as need to know such information or to independent auditors retained by such Syndication Party (it being understood that they shall be informed by such Syndication Party of the confidential nature of such information and that such Syndication Party shall take reasonable steps to cause them to treat such information on a confidential basis); (e) any information that is in or becomes part of the public domain

otherwise than through a wrongful act of such Syndication Party or any of its employees or agents thereof; (f) any information that is in the possession of any Syndication Party prior to receipt thereof from Borrower or any other Person known to such Syndication Party to be acting on behalf of Borrower; (g) any information that is independently developed by any Syndication Party; and (h) any information that is disclosed to any Syndication Party by a third party that has no obligation of confidentiality with respect to the information disclosed. A Syndication Party's confidentiality requirements continue after it is no longer a Syndication Party under this Credit Agreement.

15.19 Limitation of Liability. NEITHER BORROWER NOR ANY SUBSIDIARY MAY MAKE ANY CLAIM AGAINST THE ADMINISTRATIVE AGENT, ANY SYNDICATION PARTY, OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS OR AGENTS THEREOF FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES IN RESPECT OF ANY BREACH OR WRONGFUL CONDUCT (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) IN CONNECTION WITH, ARISING OUT OF OR IN ANY WAY RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH. BORROWER HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE (AND AGREES NOT TO CONSENT TO ANY SUCH SUIT BY A SUBSIDIARY) UPON ANY CLAIM FOR ANY SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST. IN ADDITION, BORROWER ACKNOWLEDGES AND AGREES THAT NEITHER THE ADMINISTRATIVE AGENT NOR ANY SYNDICATION PARTY HAS ANY DUTY OR REVIEW OR ADVISE BORROWER WITH RESPECT TO ANY PHASE OF ITS BUSINESS OPERATIONS OF CONDITION, THE RELATIONSHIP BEING SOLELY THAT OF DEBTOR AND CREDITORS AND THEIR BEING NO TRUST RELATIONSHIP OR RELIANCE.

15.20 Patronage Payments. Borrower acknowledges and agrees that with respect to any Farm Credit System Institution that is a Syndication Party: (a) only that portion of the Loan represented by such Syndication Party's Individual Commitment which is retained by such Syndication Party for its own account at any time is entitled to patronage distributions in accordance with such Syndication Party's bylaws and its practices and procedures related to patronage distribution and any written agreement between such Syndication Party and Borrower; (b) any patronage, or similar, payments to which Borrower is entitled on account its ownership of Bank Equity Interests or otherwise will not be based on any portion of such Syndication Party's interest in the Loans in which such Syndication Party has at any time granted a participation interest; and (c) that portion of the Loan represented by the Individual Commitment which is retained by any Farm Credit System Institution for its own account at any time is entitled to patronage distributions in accordance with such Farm Credit System Institution's bylaws and its practices and procedures related to patronage distribution only if Borrower has a written agreement to that effect from such Farm Credit System Institution.

15.21 Affect of Amended and Restated Credit Agreement. This Credit Agreement shall be effective from the Effective Date forward, and the execution of this Credit Agreement shall not relieve any party to the 2004 Credit Agreement from their respective obligations thereunder for the period from the Original Effective Date to the Effective Date or from any liability for the failure to perform such obligations or from any liability arising out of indemnification obligations under the 2004 Credit Agreement.

[SIGNATURES BEGIN ON NEXT PAGE.]

IN WITNESS WHEREOF, the parties have executed this Credit Agreement as of the date first above written.

BORROWER:

PILGRIM'S PRIDE CORPORATION, a
corporation formed under the laws of the State
of Delaware

By: /s/ Richard A. Cogdill

Name: Richard A. Cogdill

Title: Chief Financial Officer

ADMINISTRATIVE AGENT:

COBANK, ACB

By: /s/ Antony Bahr

Name: Antony Bahr

Title: Senior Vice President

CO-ARRANGER:

AGRILAND, FCS

By: /s/ Stephen R. Ogletree

Name: Steve Ogletree

Title: Chief Executive Officer

SYNDICATION PARTIES:

Agriland, FCS

By: /s/ Stephen R. Ogletree

Name: Steve Ogletree

Title: Chief Executive Officer

Contact Name: Steve Ogletree

Title: Chief Executive Officer

Address: 3210 W. Northwest Loop 323
Tyler, Texas 75102

Phone No.: (903) 593-0150

Fax No.: (903) 593-6588

e-mail address: _____

Individual Revolving Commitment:

\$735,000,000.00

Individual Floating Rate Term Commitment:

\$_____0.00

Individual Fixed Rate Term Commitment:

\$_____0.00

Payment Instructions:

Agriland, FCS

ABA No.: 114924700

Acct. Name: Agriland Farm Credit
Services

Account No.:

Attn: Steve Ogletree

Reference: Pilgrim's Pride

SYNDICATION PARTIES:

Deere Credit, Inc.

By: /s/ Raymond L. Murphey
Name: Raymond L. Murphey
Title: Senior Account Credit Manager

Contact Name: Raymond L. Murphey
Title: Senior Account Credit Manager
Address: P.O. Box 6650 – Dept. 140
6400 N.W. 86th Street
Johnston, Iowa 50131
Phone No.: 515/267-4058
Fax No.: 515/267-4020
e-mail address: MurpheyRaymond@JohnDeere.com

Individual Revolving Commitment:
\$50,000,000.00

Individual Floating Rate Term Commitment:
\$_____0.00

Individual Fixed Rate Term Commitment:
\$_____0.00

Payment Instructions:
First Chicago NBD Bank
ABA: 071000013
For account of Deere Credit Services
Account No.:
Ref: Pilgrim's Pride Syndication Loan

SYNDICATION PARTIES:

John Hancock Life Insurance Company

By: /s/ Kenneth Warlick

Name: Kenneth L. Warlick

Title: Managing Director

Contact Name: Ken Warlick

Title: Managing Director

Address: 201 Knollwood Drive

Suite A

Champaign, IL 61820-7594

Phone No.: 704/377-2653

Fax No.: 704-377-8545

e-mail address: kwarlick@hancock.com

Individual Revolving Commitment:

\$_____0.00

Individual Floating Rate Term Commitment:

\$_____0.00

Individual Fixed Rate Term Commitment:

\$100,000,000.00

Payment Instructions:

JPMorgan Chase

ABA: 071000013

Account No.:

For account of: John Hancock Champaign

Service Center-Mortgage/Bond

Ref: Pilgrim's Pride Corporation 517580:11

SYNDICATION PARTIES:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

By: AIG Global Investment Corp.,
 as investment advisor

By: /s/ L. McNew

Name: Lochlan O. McNew

Title: Managing Director

Contact Name: Bill Hasson

Title: Managing Director

Address: 5949 Sherry Lane, Suite 1600
 Dallas, TX 75225

Phone No.: 214/365-4050

Fax No.: 214/365-4059

e-mail address: william.hasson@aig.com

Individual Fixed Rate Term Commitment:
 \$45,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York

ABA: 021-000-018

Account No.:

For further credit to: THE VARIABLE ANNUITY LIFE INSURANCE CO.

Acct. No.

Reference: PPN and Prin.: \$_____; Int. \$_____

Physical Delivery Instruction for Notes:

The Bank of New York

One Wall Street – 3rd Floor Window – A

New York, NY 10286

Attn: Arnold Musella or Ada Casiano,

Phone: (212) 635-1917

Account Name: THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

Account Number:

SYNDICATION PARTIES:

THE UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK

By: AIG Global Investment Corp. as investment advisor

By: /s/ L. McNew
Name: Lochlan O. McNew
Title: Managing Director

Contact Name: Bill Hasson
Title: Managing Director
Address: 5949 Sherry Lane, Suite 1600
Dallas, TX 75225
Phone No.: 214/365-4050
Fax No.: 214/365-4059
e-mail address: william.hasson@aig.com

Individual Fixed Rate Term Commitment:
\$10,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

State Street Bank & Trust Company
ABA: 011-000-028
Account Name: THE UNITED STATES LIFE INSURANCE CO. IN THE CITY OF N.Y.,
Fund No.: PA 77
Acct. No.
Reference: PPN and Prin.: \$_____; Int. \$_____

Physical Delivery Instruction for Notes:

DTC/New York Window
55 Water Street
New York, NY 10041
Attention: Robert Mendez for the account of State Street
Account Name: THE UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NY
Fund Number: PA 77
Contact: Brenda Sharp, Phone: (816) 871-9154

SYNDICATION PARTIES:

MERIT LIFE INSURANCE CO.

By: AIG Global Investment Corp.,
as investment advisor

By: /s/ L. McNew
Name: Lochlan O. McNew
Title: Managing Director

Contact Name: Bill Hasson
Title: Managing Director
Address: 5949 Sherry Lane, Suite 1600
Dallas, TX 75225
Phone No.: 214/365-4050
Fax No.: 214/365-4059
e-mail address: william.hasson@aig.com

Individual Fixed Rate Term Commitment:
\$5,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

State Street Bank & Trust Company
ABA: 011-000-028
Account Name: MERIT LIFE INSURANCE CO.;
Fund No.: PA 20
Acct. No.
Reference: PPN and Prin.: \$ _____; Int. \$ _____

Physical Delivery Instruction for Notes:

DTC/New York Window
55 Water Street
New York, NY 10041
Attention: Robert Mendez for the account of State Street
Account Name: MERIT LIFE INSURANCE CO.
Fund Number: PA 20
Contact: Brenda Sharp, Phone: (816) 871-9154

SYNDICATION PARTIES:

AMERICAN GENERAL ASSURANCE COMPANY

By: AIG Global Investment Corp.,
as investment advisor

By: /s/ L. McNew
Name: Lochlan O. McNew
Title: Managing Director

Contact Name: Bill Hasson
Title: Managing Director
Address: 5949 Sherry Lane, Suite 1600
Dallas, TX 75225
Phone No.: 214/365-4050
Fax No.: 214/365-4059
e-mail address: william.hasson@aig.com
Individual Fixed Rate Term Commitment:
\$5,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

State Street Bank & Trust Company
ABA: 011-000-028
Account Name: AMERICAN GENERAL
ASSURANCE COMPANY, Fund No.: PA 86
Acct. No.
Reference: PPN and Prin.: \$_____; Int. \$_____

Physical Delivery Instruction for Notes:

DTC/New York Window
55 Water Street
New York, NY 10041
Attention: Robert Mendez for the account of State Street
Account Name: AMERICAN GENERAL
ASSURANCE COMPANY
Fund No.: PA 86
Contact: Brenda Sharp, Phone: (816) 871-9154

SYNDICATION PARTIES:

AIG INTERNATIONAL GROUP, INC.

By: AIG Global Investment Corp.,
as investment advisor

By: /s/ L. McNew
Name: Lochlan O. McNew
Title: Managing Director

Contact Name: Bill Hasson
Title: Managing Director
Address: 5949 Sherry Lane, Suite 1600
Dallas, TX 75225
Phone No.: 214/365-4050
Fax No.: 214/365-4059
e-mail address: william.hasson@aig.com

Individual Floating Rate Term Commitment:
\$30,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
ABA: 021-000-018
Account No.:
For further credit to: AIG, INC. – MATCHED
INVESTMENT PROGRAM Acct. No.
Reference: PPN and Prin.: \$_____; Int. \$_____

Physical Delivery Instruction for Notes:

The Bank of New York
One Wall Street – 3rd Floor Window – A
New York, NY 10286
Attn: Arnold Musella or Ada Casiano,
Phone: (212) 635-1917
Account Name: AIG, INC. – MATCHED INVESTMENT
PROGRAM
Account Number:

SYNDICATION PARTIES:

AIG ANNUITY INSURANCE COMPANY

By: AIG Global Investment Corp.,
as investment advisor

By: /s/ L. McNew
Name: Lochlan O. McNew
Title: Managing Director

Contact Name: Bill Hasson
Title: Managing Director
Address: 5949 Sherry Lane, Suite 1600
Dallas, TX 75225
Phone No.: 214/365-4050
Fax No.: 214/365-4059
e-mail address: william.hasson@aig.com

Individual Floating Rate Term Commitment:
\$35,000,000.00

Compliance reporting information to:

AIG Global Investment Corporation
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Attn: Private Placements – Compliance

Payment Instructions:

All payments to be by wire transfer of immediately available funds, with sufficient information (including PPN, interest rate, maturity date, interest amount, principal amount and premium amount, if applicable) to identify the source and application of such funds, to:

The Bank of New York
ABA: 021-000-018
Account No.:
For further credit to: AIG ANNUITY INSURANCE
COMPANY; Acct. No.

Physical Delivery Instruction for Notes:

The Bank of New York
One Wall Street – 3rd Floor Window – A
New York, NY 10286
Attn: Arnold Musella or Ada Casiano,
Phone: (212) 635-1917
Account Name: AIG ANNUITY INSURANCE COMPANY
Account Number:

SYNDICATION PARTIES:

Transamerica Life Insurance Company

By: /s/ Thomas L. Nordstrom

Name: Thomas L. Nordstrom

Title: Vice President

Contact Name: A. Dan Nafziger II

Title: Vice-President

Address: 400 West Market Street
5th Floor

Louisville, KY 40202

Phone No.: 502/560-2539

Fax No.: 502/560-2066

e-mail address: dnafziger@aegonusa.com

Individual Revolving Commitment:

\$0

Individual Floating Rate Term Commitment:

\$50,000,000.00

Individual Fixed Rate Term Commitment:

\$0

Payment Instructions:

M&T Bank, Buffalo, NY

ABA: 022000046

Account No.:

For Further Credit to AEGON USA Realty
Advisor, Inc.

Ref: Loan #D700186

SYNDICATION PARTIES:

Metropolitan Life Insurance Company

By: /s/ Barry L. Bogseth
Name: Barry L. Bogseth
Title: Director

Contact Name: Steven D. Craig
Title: Director
Address: 8717 West 110th Street
Suite 700
Overland Park, KS 66210
Phone No.: 913/661-2240
Fax No.: 913/661-2254
e-mail address: scraig@metlife.com

Individual Revolving Commitment:
\$0.00

Individual Floating Rate Term Commitment:
\$80,000,000.00

Individual Fixed Rate Term Commitment:
\$45,000,000.00

Payment Instructions:

Wire to: JP Morgan Chase & Co., 270 Park Ave. New York, NY
To Account of: MetLife – Agricultural Investments
Account #:
ABA Rounting: 021000021
INV AI: Pilgrim's Pride

LEHMAN BROTHERS INC.
745 Seventh Avenue
New York, New York 10019

LEHMAN BROTHERS COMMERCIAL BANK
745 Seventh Avenue
New York, New York 10019

September 27, 2006

\$450,000,000

Senior Unsecured Bridge Facility
Commitment Letter

Pilgrim's Pride Corporation
4845 US Highway 271 North
Pittsburg, TX 75686-0093

Attention: Richard A. Cogdill

Ladies and Gentlemen:

You have advised Lehman Brothers Commercial Bank ("LBCB") and Lehman Brothers Inc. ("Lehman Brothers") that Pilgrim's Pride Corporation, a Delaware corporation (the "Borrower") intends to acquire all of the capital stock (the "Acquisition") of Gold Kist Inc., a Delaware corporation (the "Target"). In that connection, you have requested that the Arranger (as defined below) agree to structure, arrange and syndicate a senior unsecured bridge facility in an aggregate amount of up to \$450,000,000 (the "Bridge Facility"), the proceeds of which will be used to (i) finance a portion of the Acquisition (based upon a per share price of the Target's shares of \$20.00) and (ii) pay related fees and expenses.

Upon the terms and subject to the conditions set forth or referred to in this commitment letter (the "Commitment Letter") and in the Summary of Terms and Conditions attached hereto as Exhibit A (the "Term Sheet"), LBCB is pleased to inform you of its commitment to provide 100% of the Bridge Facility, of Lehman Commercial Paper Inc's ("LCPI") agreement to act as Administrative Agent and of Lehman Brothers' agreement to act as sole lead arranger and sole book-runner for the Bridge Facility. For the purposes of this Commitment Letter, (a) "LBCB" shall mean LBCB and/or any affiliate thereof, including Lehman Brothers, as LBCB shall determine to be appropriate to provide the services contemplated herein, (b) the "Initial Lender" shall mean LBCB, and (c) the "Arranger" shall mean Lehman Brothers.

It is agreed that the Arranger will act as the sole book-runner and sole lead arranger for the Bridge Facility, LCPI will act as the sole and exclusive Administrative Agent (acting in such role, the "Administrative Agent") and the sole and exclusive Syndication Agent (acting in such role, the "Syndication Agent") for the Bridge Facility. Each of the Arranger, the Administrative Agent and the Syndication Agent will have the rights and authority customarily given to financial institutions in such roles, but will have no duties other than those expressly set forth herein. You agree that no other agents, co-agents, arrangers or book-runners will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Term Sheet or the Fee Letter referred to below or as previously disclosed to the Arranger) will be paid in connection with the Bridge Facility unless you and we so agree. The Lehman Brothers name shall appear immediately above or immediately to the left of the name of any other agent on the cover of any marketing materials that describe the Bridge Facility.

We intend to syndicate the Bridge Facility to a group of financial institutions (together with LBCB, the “Lenders”) identified by us in consultation with you. The Arranger intends to commence syndication efforts promptly upon the execution of this Commitment Letter, and you agree actively to assist the Arranger in completing a syndication satisfactory to them. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit from your existing lending relationships, (b) direct contact between senior management and advisors of the Borrower and the proposed Lenders, (c) assistance in the preparation of customary marketing materials (collectively, the “Company Materials”) to be used in connection with the syndication of the Bridge Facility and (d) the hosting, with the Initial Lender and the Arranger, of one or more meetings of prospective Lenders and, in connection with any such Lender meeting, your consultation with the Arranger with respect to the presentations to be made at such meeting, and your making available appropriate officers and representatives of the Borrower to rehearse such presentations prior to such meetings, as reasonably requested by the Arranger. You also agree that you will work with the Arranger to procure ratings, at your expense, by each of Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Ratings Group (“S&P”). It is understood and agreed that nothing in this Commitment Letter shall require you to consummate the Acquisition, which you may do in your sole and absolute discretion. At the reasonable request of the Arranger, you agree to assist in the preparation of a version of the Company Materials consisting exclusively of information and documentation that is either publicly available or not material with respect to the Borrower, the Target or any of their respective subsidiaries or securities for purposes of United States federal and state securities laws.

The Arranger will, in consultation with you, manage all aspects of the syndication, including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocations of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the Arranger in its syndication efforts, you agree promptly to prepare and provide to the Arranger all information with respect to the Borrower, the Target (to the extent reasonably available), the Acquisition and the other transactions contemplated hereby, including all financial information and projections (the “Projections”), as we may reasonably request in connection with the arrangement and syndication of the Bridge Facility. You hereby represent and covenant that, with respect to the Borrower, the Target (to your knowledge), the Acquisition and the other transactions contemplated hereby, (a) all information (other than the Projections and general economic information) that has been or will be made available to the Arranger, the Initial Lender and/ or any proposed Lenders by you or any of your representatives in connection with the transactions contemplated hereby (the “Information”), when taken as a whole, is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to the Arranger, the Initial Lender and/or any proposed Lender by you or any of your representatives in connection with the transactions contemplated hereby have been or will be prepared in good faith based upon assumptions believed by you to be reasonable at the time made, it being understood that actual results may vary materially from the Projections. If, at any time from the date hereof until the execution and delivery of the definitive financing documents, you have become aware that any of the representations and warranties above would be incorrect if the Information or Projections were being furnished, and such representations and warranties were being made, at such time, then you agree to promptly supplement the Information and Projections to the extent such information is reasonably available to you so that the representations and warranties contained in this paragraph remain correct under those circumstances. You understand that in arranging and syndicating the Bridge Facility we may use and rely on the Information and Projections without independent verification thereof. Notwithstanding the foregoing, it is agreed that copies of annual reports, proxy or financial statements or other reports or communications sent to the stockholders of the Target, and copies of all annual, regular,

periodic and special reports and registration statements which in each case the Borrower or the Target has filed with the Securities and Exchange Commission (the “SEC”), or with any national securities exchange shall for purposes of this Commitment Letter, be deemed to have been made available to the Arranger by you. In addition, the Arranger and the Initial Lender acknowledge that, in the event the Acquisition is structured as a tender offer, all information of the Target was or will be obtained from the Target’s filings with the SEC (the “Target’s Public Information”) and the Borrower shall not make any representation or covenant in respect of such information; other than, that to the Borrower’s knowledge, the Target’s Public Information does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made.

As consideration for the Initial Lender’s commitment hereunder and the Arranger’s agreement to perform the services described herein, you agree to pay to the Initial Lender and/or the Arranger (as applicable) the fees set forth in the Fee Letter dated the date hereof and delivered herewith (the “Fee Letter”), in the amounts and at the times specified therein.

The commitments and agreements of the Arranger and the Initial Lender described herein are subject to (a) there shall not have occurred or be threatened any event, circumstance, change or effect that, individually or in the aggregate with any other events, circumstances, changes and effects is or may be materially adverse to the business, condition (financial or otherwise) assets, liabilities, capitalization, prospects, operations or results of operations of the Borrower, the Target or any of their respective affiliates or to the industry in which the Borrower and the Target operate (including events relating to occurrences or cases of avian influenza affecting the markets or industry in which the Borrower and the Target operate) that, in our reasonable judgment, is or may be materially adverse to the Borrower or any of its affiliates, or we become aware of any facts that, in our reasonable judgment, have or may have material adverse significance with respect to the value of the Target or any of its affiliates or result or may result in a material diminution of the value of the Target’s shares or the benefits expected to be derived by the Borrower or any of its affiliates as a result of the transactions contemplated by the Acquisition, (b) our not becoming aware after the date hereof of any information or other matter affecting the Target and its subsidiaries that is inconsistent in a material and adverse manner with any such information or other matter disclosed to us prior to the execution of this Commitment Letter, (c) our satisfaction that from the date of this Commitment Letter until 90 days after the Initial Closing Date (as defined in the Term Sheet) (if any), there shall be no competing offering, placement or arrangement of any debt securities or bank financing (other than (i) as contemplated by this Commitment Letter and the Fee Letter, (ii) the Commercial Bank Financing (as defined in the Term Sheet), including any accordion feature thereunder, and (iii) increases of commitments under the Borrower’s existing credit and securitization facilities and for purposes other than to finance the Acquisition) by or on behalf of the Borrower or any affiliate thereof except with the prior written consent of the Arranger (not to be unreasonably withheld or delayed) and other than an issuance of securities issued by the Borrower or any of its affiliates the proceeds of which will be applied in full or in part to finance the Acquisition, (d) the negotiation, execution and delivery of definitive documentation with respect to the Bridge Facility reflecting and consistent with the terms and conditions set forth in the Term Sheet and the Fee Letter and reasonably satisfactory to each of the Initial Lender and their counsel, (e) there being a period of at least 30 days between the commencement of the syndication process and the occurrence of the Initial Closing Date; provided that the Initial Lender shall use its reasonable best efforts to commence its syndication efforts prior to the Initial Closing Date such that the syndication process shall not adversely affect the Borrower’s ability to consummate the Acquisition, including the tender offer for the Target’s securities, (f) your compliance with your covenants and agreements contained herein and the correctness in all material respects of your representations and warranties contained herein both as of the date hereof and as of the Initial Closing Date and the Final Closing Date (if any), (g) the other conditions set forth or referred to in the Term Sheet. Those matters that are not covered by the provisions hereof and of the Term Sheet are subject to the approval and agreement of the Initial Lender and the Borrower.

You hereby agree to indemnify and hold harmless each of LBCB, LCPI, Lehman Brothers, the other Lenders and each of their respective affiliates and each of their respective officers, directors, partners, trustees, employees, affiliates, shareholders, advisors and agents (each, an "indemnified person") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Bridge Facility, the Term Loans (as defined in the Term Sheet), the Exchange Notes (as defined in the Term Sheet), the use of the proceeds therefrom, the Acquisition, any of the other transactions contemplated by this Commitment Letter, any other transaction related thereto or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for all legal and other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein); provided, however, that no indemnified person shall be entitled to indemnity hereunder in respect of any loss, claim, damage, liability or expense to the extent that it is found by a final, non-appealable judgment of a court of competent jurisdiction that such loss, claim, damage, liability or expense resulted directly from the gross negligence or willful misconduct of such indemnified person. In no event will any indemnified person be liable on any theory of liability for (i) indirect, special or consequential damages, lost profits or punitive damages as a result of any failure to fund the Bridge Facility contemplated hereby or otherwise in connection with the Bridge Facility or (ii) any damages arising from the use by unauthorized persons of information, projections or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such unauthorized persons.

The Borrower further agrees that, without the prior written consent of each of LBCB, LCPI and Lehman Brothers, which consent will not be unreasonably withheld, it will not enter into any settlement of a lawsuit, claim or other proceeding arising out of this Commitment Letter or the transactions contemplated by this Commitment Letter in which an indemnified person is a party unless such settlement includes an explicit and unconditional release from the party bringing such lawsuit, claim or other proceeding of such indemnified person.

The Borrower, LBCB, LCPI and Lehman Brothers agree that if any indemnification or reimbursement sought pursuant to these indemnification provisions is judicially determined to be unavailable for a reason other than the gross negligence or willful misconduct of such indemnified person, then, whether or not LBCB, LCPI or Lehman Brothers is the indemnified person, the Borrower, on the one hand, and LBCB, LCPI and/or Lehman Brothers, as the case may be, on the other hand, shall contribute to the losses, claims, damages, liabilities and expenses for which such indemnification or reimbursement is held unavailable (i) in such proportion as is appropriate to reflect the relative benefits to the Borrower, on the one hand, and LBCB, LCPI and/or Lehman Brothers, as the case may be, on the other hand, in connection with the transactions to which such indemnification or reimbursement relates, or (ii) if the allocation provided by clause (i) above is judicially determined not to be permitted, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative faults of the Borrower, on the one hand, and LBCB, LCPI and/or Lehman Brothers, as the case may be, on the other hand, as well as any other equitable considerations; provided, however, that in no event shall the amount to be contributed by LBCB, LCPI and/or Lehman Brothers pursuant to this paragraph exceed the amount of the fees actually received by LBCB, LCPI and/or Lehman Brothers, as the case may be, under this Commitment Letter or the Fee Letter.

In case any action or proceeding is instituted involving any indemnified person for which indemnification is to be sought hereunder by such indemnified person, then such indemnified person will promptly notify you of the commencement of any action or proceeding; provided, however, that the failure so to notify you will not relieve you from any liability that you may have to such indemnified person pursuant hereto or from any liability that they may have to such indemnified person other than pursuant hereto. Notwithstanding the above, following such notification, you may elect in writing to assume the defense of such action or proceeding, and, upon such election, you will not be liable for any legal costs subsequently incurred by such indemnified person (other than reasonable costs of investigation and providing evidence) in connection therewith, unless (i) you have failed to provide counsel reasonably satisfactory to such Indemnified Person in a timely manner, (ii) counsel provided by the Borrower reasonably determines that its representation of such indemnified person would present it with a conflict of interest or (iii) the indemnified person reasonably determines that there may be legal defenses available to it which are different from or in addition to those available to the Borrower. In connection with any one action or proceeding, you will not be responsible for the fees and expenses of more than one separate law firm (in addition to local counsel) for all indemnified persons.

You acknowledge that Lehman Brothers and its affiliates (the term "Lehman Brothers" being understood to refer hereinafter in this paragraph to include such affiliates, including LBCB and LCPI) may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise; provided that neither Lehman Brothers nor its affiliates will provide financing or other services (including financial advisory services) or any commitment to provide financing to any other company in connection with any such company's proposed acquisition of the Target during the period from the date hereof to the latter of (i) the date of the expiration or termination of this Commitment Letter or (ii) the expiration or withdrawal of the Borrower's tender offer for the Target's securities. Lehman Brothers will not use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by Lehman Brothers of services for other companies, and Lehman Brothers will not furnish any such information to other companies. You also acknowledge that Lehman Brothers has no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained from other companies.

This Commitment Letter shall not be assignable by you without the prior written consent of Lehman Brothers, LCPI and LBCB (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. This Commitment Letter may not be amended or waived except by an instrument in writing signed by you and Lehman Brothers, LCPI and LBCB. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter are the only agreements that have been entered into among us with respect to the Bridge Facility and set forth the entire understanding of the parties with respect thereto. This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter, the Term Sheet nor the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to your directors, officers, employees, counsel, advisors and agents who are directly involved in the consideration of this matter, (b) to Moody's and/or S&P in each case on a confidential and "need-to-know" basis and only in connection with the transactions contemplated hereby (in which case, you agree to inform us promptly thereof) or (c) as may be compelled

in a judicial or administrative proceeding or as otherwise required by law (in which case, to the extent permitted by law, you agree to inform us promptly thereof); provided that the foregoing restrictions shall cease to apply (except in respect of the Fee Letter and its terms and substance) after this Commitment Letter has been accepted by you. In addition, this Commitment Letter is entered into on the understanding and agreement that neither the existence of this Commitment Letter, the Term Sheet nor the Fee Letter nor any of their contents, nor any of the Information or the Projections, shall be disclosed by the Arranger or the Initial Lender or any of their respective affiliates, directly or indirectly, to any other person, except (i) as may be compelled in a judicial or administrative proceeding or as otherwise required by law (in which case we agree, to the extent permitted by law, to inform you promptly thereof), (ii) to the Arranger's, the Initial Lender's and their affiliates' directors, officers, employees, counsel, advisors and agents, in each case on a confidential and "need-to-know" basis and only in connection with the transactions contemplated hereby, (iii) exclusively with respect to the Term Sheet, as reasonably required for the syndication of the Bridge Facility and (iv) as otherwise expressly permitted by the immediately following paragraph. The indemnification and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the Initial Lender's commitments hereunder.

The Borrower agrees that Arranger has the right to place advertisements in financial and other newspapers and journals at its own expense describing its services to the Borrower; provided that the Arranger will submit a written copy of any such advertisements to the Borrower for its prior written approval, which approval shall not be unreasonably delayed or withheld. Furthermore, the Borrower agrees to include a reference to the Arranger's role as lead arranger in any press release announcing the Bridge Facility.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof and of the Term Sheet and the Fee Letter by returning to the Arranger executed counterparts hereof and of the Fee Letter not later than 5:00 p.m., New York City time, on September 28, 2006. The commitments and agreements of Lehman Brothers and LBCB herein will expire at such time in the event the Arranger has not received such executed counterparts in accordance with the immediately preceding sentence.

Lehman Brothers, LCPI and LBCB are pleased to have been given the opportunity to assist you in connection with this financing, and we look forward to working with you.

Very truly yours,

LEHMAN BROTHERS COMMERCIAL BANK

By: /s/ Laurie Perper

Title: Senior Vice President

LEHMAN COMMERCIAL PAPER INC.

By: /s/ Laurie Perper

Title: Senior Vice President

LEHMAN BROTHERS INC.

By: /s/ Laurie Perper

Title: Senior Vice President

Accepted and agreed to
as of the date first
written above by:

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill

Title: Chief Financial Officer

[SIGNATURE PAGE TO COMMITMENT LETTER]

\$450,000,000

SENIOR UNSECURED BRIDGE FACILITY TERM SHEET

Summary of Terms and Conditions

September 27, 2006

We understand that the Borrower intends to acquire all of the issued and outstanding capital stock (the "Acquisition") of Gold Kist Inc., a Delaware corporation (the "Target"). The Acquisition and all transactions related thereto are sometimes referred to herein as the "Transaction". Capitalized terms not otherwise defined in this Term Sheet shall have the meanings ascribed to them in the Commitment Letter to which this Term Sheet forms a part.

<u>Borrower:</u>	Pilgrim's Pride Corporation (the " Borrower ").
<u>Sole Book-Runner and Lead Arranger:</u>	Lehman Brothers Inc. (the " Arranger ").
<u>Lenders:</u>	A syndicate of banks, financial institutions and other entities, including LBCB (collectively, the " Banks "), arranged by the Arranger (collectively, the " Lenders "); <u>provided</u> that any such syndication shall comply with the terms and conditions set forth in the Commitment Letter.
<u>Administrative Agent:</u>	Lehman Commercial Paper Inc. (acting in such role, the " Administrative Agent ")
<u>Type and Amount:</u>	\$450.0 million senior unsecured bridge loan facility (the " Bridge Facility ").
<u>Purpose:</u>	Proceeds of borrowings under the Bridge Facility (the " Interim Loans ") will be used to finance a portion of the Acquisition, refinance certain existing indebtedness (including the Target's outstanding Senior Notes due 2014 and any premiums associated therewith, the Target's existing credit agreement with Cooperative Centrale Raiffeisen-Boerenleen Bank B.A., New York Branch, and a syndicate of banks and the Target's existing subordinated capital certificates) and to pay fees, commissions and expenses in connection therewith.
<u>Initial Closing Date:</u>	Initially, the date the Borrower borrows amounts under the Bridge Facility to fund a portion of the purchase price of the Acquisition and related commissions, fees and expense, after which the Borrower shall have acquired aggregate shares of Target representing at least 50% plus one share of Target's total issued and outstanding capital stock (the " Initial Closing Date "). In the event the Borrower does not borrow the entire committed amount under the Bridge Facility on the Initial Closing Date, the Borrower may subsequently borrow any remaining amounts available under the Bridge Facility on the date on which Target

completes the Acquisition and for the purpose of consummating the Acquisition and paying related commissions, fees and expenses, which date shall be referred to herein as the “**Final Closing Date.**”

Maturity/Exchange:

The Interim Loans will mature on the date that is one year following the Initial Closing Date (the “**Maturity Date**”). If any Interim Loan has not been previously repaid in full on or prior to the Maturity Date, subject to the conditions outlined in Exhibit A under “Conditions Precedent” such Interim Loan shall be converted into a term loan (each, a “**Term Loan**” and, together with the Interim Loans, the “**Loans**”) maturing on the tenth anniversary of the Initial Closing Date (the “**Final Maturity Date**”). Upon the execution and delivery of one or more agreements by a Lender in respect of the Interim Loans and the Term Loans to sell at least a minimum in aggregate principal amount of Interim Loans or Term Loans to be agreed to a third party, such Lender will have the option (i) in the case of Interim Loans, at the Maturity Date or (ii) in the case of Term Loans, at any time or from time to time, to receive notes (the “**Exchange Notes**”) in exchange for Interim Loans or Term Loans having the terms set forth in the term sheet attached hereto as Exhibit A.

Availability:

The Bridge Facility may be drawn in up to a maximum of two drawings: an initial drawing (the “**Initial Drawing**”) shall made on the Initial Closing Date; and, if less than 100% of the shares of the Target shall have been acquired directly or indirectly, by merger or otherwise, by the Borrower on the Initial Closing Date, a second drawing (the “**Second Drawing**”) of the remainder of the Bridge Facility may be drawn on the Final Closing Date. Any portion of the Bridge Facility that is not drawn after giving effect to the Second Drawing shall terminate.

Interest:

Prior to the Maturity Date, the Interim Loans will initially accrue interest at a rate per annum equal to (a) the one-month London Interbank Offered Rate (“**LIBOR**”) as determined by LBCB for a corresponding U.S. dollar deposit amount (adjusted quarterly) plus (b) the Spread (as defined below). The “**Spread**” will initially be 275 basis points. If the Interim Loans are not repaid in full within 180 days following the Initial Closing Date, the Spread will increase by 75 basis points at the end of such 180-day period and shall increase by an additional 50 basis points at the end of each 90-day period thereafter. In any case, the interest rate shall not so increase on the date the Interim Loans will be automatically converted into the Term Loans. LIBOR will be adjusted for maximum statutory reserve requirements (if any).

Interest on the Interim Loans will be payable in arrears at the end of each 90-day period and at the Maturity Date. Interest on the Interim Loans shall be no greater than (x) 9.75% per annum, if the Borrower’s senior unsecured rating (the “**Borrower Rating**”)

is Ba3 by Moody's and BB- by S&P or better, or (y) 10.25%, if the Borrower Rating is B1 by Moody's or B+ by S&P or lower.

Following the Maturity Date, all outstanding Term Loans will accrue interest at the rate provided for in the Exchange Notes in Exhibit A hereto, subject to the absolute cap applicable to the Exchange Notes. Calculation of interest shall be on the basis of actual days elapsed in a year of 360 days.

Default Interest:

Upon the occurrence and during the continuance of a payment default, interest will accrue on any overdue amount of a loan or other overdue amount payable under the Bridge Facility at a rate of 2.0% per annum in excess of the rate otherwise applicable to such loans or amounts payable and will be payable on demand.

Mandatory Redemption:

The Borrower will be required to prepay Interim Loans on a pro rata basis, subject to certain exceptions to be agreed upon, but with terms no less restrictive than those contained in the Borrower's credit agreement with CoBank ACB, as agent (the "**Commercial Bank Financing**"), at par plus accrued and unpaid interest, from the net proceeds from the incurrence of any debt (other than intercompany debt, debt incurred under the Commercial Bank Financing and debt incurred under commitments available to the Borrower under its existing credit facilities and those contemplated in connection with the Transaction) by Borrower or any of its subsidiaries, the issuance of any equity (other than equity investments pursuant to employee stock plans) by the Borrower or any of its subsidiaries or any asset sales (subject to reinvestment within one year of such asset sale, provided that if such amounts are committed to be reinvested within one year of such asset sale, such reinvestment period shall be extended by up to 90 additional days) by the Borrower or any of its subsidiaries, subject to exceptions to be agreed. Any mandatory prepayments shall be subject to the terms of a secured or an unsecured credit facility or indenture.

Optional Prepayments:

The Interim Loans and the Term Loans may be prepaid, in whole or in part, at the option of the Borrower, at any time with prior notice, at par plus accrued and unpaid interest and breakage costs.

Guarantees:

Initially, none. However, in the event that any wholly-owned domestic restricted subsidiary (other than a securitization subsidiary that has entered into or established a securitization program) of the Borrower, directly or indirectly, guarantees, assumes or in any other manner becomes liable with respect to any indebtedness (other than intercompany indebtedness) of the Borrower, including the Borrower's existing 9-5/8% Senior Notes due 2011 (the "**Existing Senior Notes**") and the Borrower's existing 9-1/4% Senior Subordinated Notes due 2013

(the “**Existing Subordinated Notes**,” and together with the Existing Senior Notes, the “**Existing Notes**”) such domestic restricted subsidiary shall simultaneously execute and deliver a senior guarantee of the Interim Loans or the Term Loans, if applicable. The terms for the provision of such guarantees shall be substantially identical to the Indenture, dated August 9, 2001, by and between the Borrower and JPMorgan Chase Bank, as trustee, governing the Existing Senior Notes.

Security:

None.

Ranking:

Pari passu with all other existing and future senior obligations of the Borrower, including the Existing Senior Notes, and senior to all existing and future subordinated obligations of the Borrower, including the Existing Subordinated Notes.

Certain Documentation Matters

The Interim Loan Documentation (as defined in Exhibit A) shall contain representations, warranties, covenants and events of default that are substantially similar to those included in the Commercial Bank Financing (in each case applicable to each of the Borrower and its subsidiaries, as appropriate), including:

Representations and Warranties:

Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; organization, qualification and corporate existence; compliance with law (including, without limitation, Regulations T, U and X of the Board of Governors of the United States Federal Reserve System, or any successor thereto); corporate power and authority; authorization, execution and enforceability of Interim Loan Documentation and any agreements relating to the Acquisition; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; no burdensome restrictions; taxes; Federal Reserve regulations; ERISA; Investment Company Act; Federal Food Security Act; Fair Labor Standards Act; subsidiaries; environmental matters; solvency; labor matters; and accuracy of disclosure.

Affirmative Covenants:

Delivery of financial statements, reports, officers’ certificates and other information reasonably requested by the Lenders; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; and further assurances. The foregoing shall not violate or conflict with the terms of the indentures governing the Existing Notes and the Borrower’s existing credit agreements.

<u>Negative Covenants:</u>	Limitations on: indebtedness (including preferred stock of subsidiaries); liens; guarantee obligations; mergers, consolidations, liquidations and dissolutions; sales of assets and stock of restricted subsidiaries; leases; dividends and other payments in respect of capital stock; capital expenditures; investments, loans and advances; optional payments and modifications of subordinated and other debt instruments; transactions with affiliates; sale and leasebacks; changes in fiscal year; negative pledge clauses; changes in lines of business; restrictions on subsidiary distributions; and designation as “senior debt.” The foregoing shall not violate or conflict with the terms of the indentures governing the Existing Notes and the Borrower’s existing credit agreements.
<u>Change of Control:</u>	Each holder of Interim Loans will be entitled to require the Borrower, and the Borrower must offer, to repay the Interim Loans held by each such holder at a price of 101% of the principal amount thereof, plus all accrued fees and all accrued and unpaid interest to the date of repayment, upon the occurrence of a Change of Control (as defined in the indenture governing the Borrower’s Existing Subordinated Notes (the “ <i>Existing Indenture</i> ”)).
<u>Events of Default:</u>	Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period to be agreed upon; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain covenants, to a grace period to be agreed upon); cross-default; bankruptcy events; certain ERISA events; material judgments; and actual or asserted invalidity of any guarantee or subordination provisions.
<u>Modifications:</u>	On and after the date that the Borrower acquires in excess of 50% of the issued and outstanding shares of Target, any occurrence which would otherwise constitute a default or an event of default under the Interim Loan Documentation on account of a matter solely attributable to the Target, shall not be deemed to be a default or an event of default under the Interim Loan Documentation if such occurrence would not have constituted a default or event of default under the Target’s credit agreement with Cooperative Centrale Raiffeisen-Boerenleen Bank, B.A., New York Branch.
<u>Initial Conditions:</u>	<p>The availability of the Bridge Facility (in both the First Drawing and any Second Drawing) shall be conditioned upon satisfaction of the following conditions precedent (with references to the Borrower and its subsidiaries in this paragraph being deemed to refer to and include the acquiring entity, the Target and their respective subsidiaries after giving effect to the Transaction):</p> <ul style="list-style-type: none"> • Each Credit Party shall have executed and delivered satisfactory definitive financing documentation with respect to the Bridge Facility reflecting the terms set forth herein.

- The Transaction shall be consummated pursuant to documentation having terms and conditions reasonably satisfactory to the Arranger, including the acquisition agreement or tender offer documentation, as applicable, and no material provision thereof shall have been waived, amended, supplemented or otherwise modified, except with the consent of the Arranger. The Target's Board of Directors has redeemed its Series A Junior Participating Preferred Stock purchase rights or the rights have been invalidated or are otherwise inapplicable to the Acquisition. The Borrower shall have acquired (or simultaneously with such drawing will acquire) by purchase, merger or otherwise at least 50% of the total issued and outstanding capital stock of Target.
- The Lenders, the Administrative Agent, the Syndication Agent and the Arranger shall have received all fees required to be paid on or before the Initial Closing Date, and the Administrative Agent shall have received reimbursement of all reasonable and documented out-of-pocket expenses of the Arranger, the Administrative Agent and the Syndication Agent payable by the Borrower in connection with the Bridge Facility in accordance with the Fee Letter.
- All governmental and material third party approvals (including shareholders' and other material consents) necessary or, in the reasonable discretion of the Arranger, advisable in connection with the Transaction, the financing contemplated hereby and the continuing operations of the Borrower and its subsidiaries shall have been obtained and be in full force and effect, and all applicable waiting periods, including under the Hart-Scott-Rodino Act, shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose material adverse conditions on the Transaction or the financing thereof.
- The Borrower shall have received proceeds of at least \$600.0 million pursuant to the Commercial Bank Facility.
- In the event of a Second Drawing, the Borrower shall have acquired (or simultaneously therewith will acquire) by purchase, merger or otherwise 100% of the then total issued and outstanding capital stock of Target.
- The Lenders shall have received a satisfactory pro forma consolidated balance sheet of the Borrower as at the date of

the most recent Form 10-Q or 10-K (as applicable) of the Borrower filed with the SEC, adjusted to give effect to the consummation of the Transaction and the financings contemplated hereby as if such transactions had occurred on such date.

- The Lenders shall have received the results of a recent lien search in each relevant jurisdiction with respect to the Borrower and its subsidiaries, and such search shall reveal no liens on any of the assets of the Borrower or its subsidiaries except for liens permitted by the Interim Loan Documentation or liens to be discharged on or prior to the Initial Closing Date or Final Closing Date (as applicable) pursuant to documentation satisfactory to the Arranger.
- The Lenders shall have received a satisfactory solvency certificate and analysis of the chief financial officer of the Borrower which shall document the solvency of the Borrower and its subsidiaries after giving effect to the Transaction and the other transactions contemplated hereby.
- The Lenders shall have received such legal opinions (including opinions (i) from counsel to the Borrower and its subsidiaries and (ii) from such special and local counsel as may be required by the Arranger), documents and other instruments as are customary for transactions of this type or as they may reasonably request.
- The Arranger shall have received all documentation and other information require by bank regulatory authorities under applicable “know your customer” and Anti-Money Laundering rules and regulations, including without limitation, the USA Patriot Act.

Assignments and Participations:

Each Lender may assign all or, subject to minimum amounts to be agreed, a portion of its loans under the Bridge Facility (other than to certain persons designated in writing by the Borrower). Assignments will require, except for an assignment to an existing Lender or an affiliate of an existing Lender, the consent of the Administrative Agent and the Borrower, which consent shall not be unreasonably withheld. In addition, each Lender may sell participations in all or a portion of its loans and commitments under the Bridge Facility (other than to certain persons designated in writing by the Borrower); provided that no purchaser of a participation shall have (a) the right to exercise or to cause the selling Lender to exercise voting rights in respect of the Bridge Facility (except as to certain basic issues) or (b) the right to yield protection in an amount exceeding that available to the relevant Lender.

Expenses and Indemnification:

All reasonable out-of-pocket expenses (including but not limited to reasonable legal fees and expenses of not more than one counsel plus, if necessary, one local counsel per jurisdiction and expenses incurred in connection with due diligence and travel, courier, reproduction, printing and delivery expenses) of the Banks, the Arranger and the Administrative Agent associated with the syndication of the Bridge Facility and with the preparation, execution and delivery, administration, amendment, waiver or modification (including proposed amendments, waivers or modifications) of the documentation contemplated hereby are to be paid by the Borrower. For the avoidance of doubt, none of such fees and expenses shall be paid if the Initial Closing Date does not occur. In addition, all reasonable out-of-pocket expenses (including but not limited to reasonable legal fees and expenses of not more than one counsel plus, if necessary, one local counsel per jurisdiction) of the Lenders and the administrative agent for the Bridge Facility for workout proceedings, enforcement costs and documentary taxes associated with the Bridge Facility are to be paid by the Borrower. The Borrower will indemnify the Lenders, the Banks, the Arranger and the Administrative Agent and their respective affiliates, and hold them harmless from and against all reasonable out-of-pocket costs, expenses (including but not limited to reasonable legal fees and expenses of not more than one counsel plus, if necessary, one local counsel per jurisdiction) and liabilities arising out of or relating to the proposed transactions, including but not limited to the Acquisition, or any transactions related thereto and any actual or proposed use of the proceeds of any loans made under the Bridge Facility; provided, however, that no such person will be indemnified for costs, expenses or liabilities to the extent determined by a final judgment of a court of competent jurisdiction (or a settlement tantamount to such a judgment) to have been incurred primarily by reason of the bad faith, gross negligence or willful misconduct of such person. The Borrower will indemnify the Lenders for withholding taxes imposed by any governmental authorities (subject to customary exceptions). Such indemnification shall consist of customary tax gross-up provisions. The Lenders will use reasonable efforts to minimize to the extent possible any applicable taxes.

Requisite Lenders:

Lenders holding at least a majority of total Loans and commitments under the Bridge Facility, with certain modifications or amendments requiring the consent of Lenders holding a greater percentage (or each Lender affected) of the total Loans and commitments under the Bridge Facility (subject to a “yank-a-bank” provision).

Governing Law and Forum:

The laws of the State of New York. Each party to the Interim Loan Documentation will waive the right to trial by jury and will consent to jurisdiction of the state and federal courts located in The City of New York.

Summary of Terms of Term Loans and Exchange Notes

Capitalized terms used but not defined herein have the meanings assigned to them in the Commitment Letter or the Term Sheet.

- Borrower/Issuer:** The Borrower.
- Term Loans:** On the Maturity Date, subject to satisfaction of the conditions set forth below, the outstanding Interim Loans will be automatically converted into Term Loans. The Term Loans will be governed by the provisions of the Interim Loan Documentation and, except as expressly set forth below, shall have the same terms as the Interim Loans.
- Exchange Notes:** At any time on or after the Maturity Date, a holder of Term Loans may exchange, in connection with the transfer of a Term Loan to any person and with the consent of the Administrative Agent, all or a portion of the Term Loans to be exchanged for Exchange Notes having a principal amount equal to the principal amount of the Term Loan for which it is exchanged and having a fixed interest rate equal to the interest rate on the Term Loan at the time of transfer. The Exchange Notes and the Term Loans shall rank *pari passu* with each other.
- The Borrower will issue Exchange Notes under an indenture that complies with the Trust Indenture Act of 1939, as amended (the “**Indenture**”) with terms substantially identical to the Existing Indenture (with modifications typical of comparable issuances of senior indebtedness) with such increases in dollar thresholds reasonably acceptable to the Administrative Agent, in each case to take into account the effect of the Transaction. The Borrower will appoint a trustee reasonably acceptable to the Administrative Agent.
- Maturity:** The Term Loans and the Exchange Notes will mature on the ninth anniversary of the Maturity Date (the “**Final Maturity Date**”).
- Conditions Precedent:** The obligation of each of the Interim Lenders to convert the Interim Loans to Term Loans will be subject to the following conditions:
1. **No Defaults.** No event of default, or event which with the giving of notice or the lapse of time, or both, would become an Event of Default shall have occurred and be continuing under the Bridge Facility, the Fee Letter or any other document executed in connection therewith (collectively, the “**Interim Loan Documentation**”).
 2. **Payment of Fees and Accrued Interest.** The Borrower

shall have paid in immediately available funds all accrued and unpaid interest with respect to the Interim Loans and all fees then due and owing, in accordance with the terms of the Interim Loan Documentation.

3. Shelf Registration. The Shelf Registration Statement (as defined under the heading “Registration Rights” below) with respect to the Exchange Notes shall have been filed with the SEC.

Interest Rate:

The Term Loans will bear interest at an increasing rate equal to the Initial Rollover Rate plus the Rollover Spread (as defined below). The interest rate on the Term Loans in effect at any time shall be no greater than (x) 9.75% *per annum*, if the Borrower Rating is Ba3 by Moody’s and BB- by S&P or better, or (y) 10.25%, if the Borrower Rating is B1 by Moody’s or B+ by S&P or lower. Notwithstanding the limitations set forth in this paragraph, interest will accrue during the existence of an event of default on any overdue amount (whether interest or principal), to the extent lawful, at a rate *per annum* equal to 200 basis points over the then current interest rate, until such amount (plus all accrued and unpaid interest) is paid in full.

“**Initial Rollover Rate**” shall be determined as of the Maturity Date of the Interim Loans and shall equal the interest rate borne by the Interim Loans on the day immediately preceding the Maturity Date.

“**Rollover Spread**” shall be 50 basis points during the 90-day period commencing on the Maturity Date. The Rollover Spread shall increase by 50 basis points upon each 90-day anniversary of the Maturity Date.

Interest on the Term Loans and Exchange Notes will be payable quarterly in arrears on the fifteenth day (or if such date is not a business day, the next business day) of each fiscal quarter of the Company, on the Final Maturity Date of the Term Loans and Exchange Notes and on the date of any prepayment thereof.

Ranking:

Same as Interim Loans.

Guarantees:

Same as Interim Loans.

Mandatory Repayment:

Same as Interim Loans in the case of Term Loans (other than there shall be no mandatory prepayment in the case of the Term Loans by reason of the incurrence of debt for the purpose of refinancing the Existing Notes) and in the case of the Exchange Notes, only if so provided therein.

Change of Control:

Same as Interim Loans.

Optional Repayment:

Except as set forth below, the Term Loans may be repaid or

redeemed, in whole or in part, at the option of the Company at any time upon three business days' prior written notice at a price equal to 100% of the principal amount thereof, plus accrued fees and all accrued and unpaid interest to the date of repayment.

The Exchange Notes will be non-callable until the fourth anniversary of the Maturity Date (subject to a customary "equity clawback" provision). After the fourth anniversary, each Exchange Note will be callable at par plus accrued interest, plus a premium equal to one-half of the coupon on such Exchange Note, which premium after the fifth anniversary shall be one-fourth of the coupon on such Exchange Note, which premium after the sixth anniversary shall be one-eighth of the coupon on such Exchange Note. Thereafter, the Exchange Notes shall be callable at par.

Yield Protection:

Same as Interim Loans.

Payments:

Same as Interim Loans.

Covenants:

Same as Interim Loans, in the case of the Term Loans. The Exchange Notes will have covenants necessary and/or customary for an indenture governing a high yield senior note issue and otherwise with terms substantially identical to the Existing Indenture (with modifications typical of comparable issuances of senior indebtedness) with such increases in dollar thresholds reasonably acceptable to the Administrative Agent, in each case to take into account the effect of the Transaction.

Events of Default:

Same as Interim Loans, in the case of the Term Loans. The Exchange Notes will have events of default that are necessary and/or customary for an indenture governing a high yield senior note issue and otherwise with terms substantially identical to the Existing Indenture (with modifications typical of comparable issuances of senior indebtedness) with such increases in dollar thresholds reasonably acceptable to the Administrative Agent, in each case to take into account the effect of the Transaction.

Transferability:

Unlimited except as otherwise provided by law.

Defeasance Provisions:

None with respect to Term Loans. The Exchange Notes will have defeasance and discharge provisions customary for high yield securities and otherwise with terms substantially identical to the Existing Indenture (with modifications typical of comparable issuances of senior indebtedness).

Amendments:

Same as Interim Loans.

Registration Rights:

Prior to the Maturity Date, the Borrower will be required to file a shelf registration statement with respect to the Exchange Notes (a "**Shelf Registration Statement**"). The filing of the Shelf Registration Statement will be a condition precedent to

the conversion of Interim Loans to Term Loans. The Borrower will pay liquidated damages in the form of increased interest of 50 basis points on the principal amount of Exchange Notes outstanding to holders of Exchange Notes (i) if the Shelf Registration Statement is not declared effective by the SEC within 180 days after the Maturity Date (or 210 days after the Maturity Date to the extent that the Borrower receives written notice that the Shelf Registration Statement will be reviewed by the SEC), until such Shelf Registration Statement is declared effective, and (ii) during any period of time (subject to customary exceptions) following the effectiveness of the Shelf Registration Statement that such Shelf Registration Statement is not available for sales thereunder. After 12 weeks, the liquidated damages shall increase by 25 basis points, and shall increase by 25 basis points for each 12-week period thereafter to a maximum increase in interest of 100 basis points. In addition, unless and until the Borrower has caused the Shelf Registration Statement to become effective, the holders of the Exchange Notes will have the right to “piggy-back” in the registration of any debt or preferred equity securities (other than the refinancing of the Existing Senior Notes and subject to customary scale-back provisions) that are registered by the Borrower (other than on a Form S-4) unless all the Exchange Notes will be redeemed or repaid from the proceeds of such securities. The Borrower will be required to file a registration statement to effect an “A/B” exchange offer to all holders of Exchange Notes within 60 days of the issuance of the Exchange Notes if the holders of a majority in principal amount of the Exchange Notes then outstanding so request.

FOR IMMEDIATE RELEASE

**Pilgrim's Pride to Commence Tender Offer to Acquire Gold Kist
for \$20 Per Share in Cash**

Pittsburg, TX. September 28, 2006 — Pilgrim's Pride Corporation (NYSE: PPC) today announced that it has notified Gold Kist Inc. (NASDAQ: GKIS) that it intends to commence a tender offer to purchase all of the outstanding shares of Gold Kist common stock for \$20 per share in cash. The offer represents a 55% premium over Gold Kist's closing stock price on August 18, 2006, the last day of trading before Pilgrim's Pride notified Gold Kist's board of directors in a public letter that it was offering \$20 per share in cash for the company. The transaction is valued at approximately \$1 billion, plus the assumption of approximately \$144 million of Gold Kist's debt.

The tender offer is scheduled to expire at midnight, Eastern Daylight Time, on Friday, October 27, 2006, unless extended.

"As we have stated on numerous occasions, we would have preferred to work together with Gold Kist and its board of directors to negotiate a mutually beneficial agreement for our respective shareholders, employees, business partners and other stakeholders," said O.B. Goolsby, Jr., president and chief executive officer of Pilgrim's Pride. "Unfortunately, Gold Kist has not taken any meaningful steps to reach such an agreement, and we have been forced to take our offer directly to Gold Kist shareholders. We believe that by giving the Gold Kist shareholders a chance to decide for themselves, they will find our \$20 per share cash offer attractive and will seize the opportunity to maximize the value of their investment at a substantial premium to Gold Kist's share price prior to our offer."

The company has obtained financing for the tender offer through a combination of an amendment to its existing credit facility and a commitment letter for an additional credit facility from Lehman Brothers Inc.

Attached is the full text of the letter delivered today to Gold Kist's board of directors.

September 28, 2006

Board of Directors
Gold Kist Inc.
244 Perimeter Center Parkway, N.E.
Atlanta, GA 30346

Gentlemen:

Six weeks have passed since we publicly announced our proposal to acquire all of the outstanding shares of Gold Kist on August 18, 2006. Unfortunately, during all of this time there has been virtually no progress toward negotiating a mutually agreeable transaction. In addition, Gold Kist has not provided us any of the information we requested. Our financial and legal advisors have spoken with your financial and legal advisors numerous times and the path forward remains unclear. Given this state of affairs, you leave us no alternative but to take our offer directly to Gold Kist shareholders. We believe that Gold Kist shareholders will find our \$20 per share cash offer attractive and will seize the opportunity to maximize the value of their investment at a substantial premium to Gold Kist's share price prior to our offer.

Pilgrim's Pride Corporation today is announcing that it intends to commence a tender offer to purchase all of the outstanding shares of Gold Kist common stock for \$20 per share in cash. The transaction is valued at approximately \$1 billion, plus the assumption of approximately \$144 million of Gold Kist's debt.

The offer represents significant value for Gold Kist shareholders:

- A 55% premium over Gold Kist's closing stock price on August 18, 2006, the last day of trading before Pilgrim's Pride notified Gold Kist's board of directors in a public letter that it was offering \$20 per share in cash for the company.
- Since Gold Kist's initial public offering in 2004, its stock price has been on average approximately 50% of Pilgrim's Pride's stock price.¹ While stocks in our industry are subject to significant volatility, this relative trading value has remained consistent. Applying this average relative trading value of 50% to yesterday's Pilgrim's Pride closing stock price of \$28.22, implies a Gold Kist stock price of approximately \$14.31. Thereby, our offer represents an approximately 40% premium to this implied Gold Kist stock price.

Our board of directors unanimously supports the combination with Gold Kist. We have obtained financing for the tender offer through a combination of an amendment to our existing credit facility and a commitment letter for an additional credit facility from Lehman Brothers Inc. We are confident that we can obtain the necessary regulatory approvals and meet other customary closing conditions.

Sincerely,

PILGRIM'S PRIDE CORPORATION

/s/ Lonnie "Bo" Pilgrim

Lonnie "Bo" Pilgrim
Chairman

The tender offer will be conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration date of the offer, at least a majority of the total number of Gold Kist's outstanding shares on a fully diluted basis; the redemption or amendment of Gold Kist's shareholder rights plan; the expiration or termination of all waiting periods imposed by applicable antitrust laws, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; there being validly tendered and not withdrawn a majority in principal amount of Gold Kist's public notes in a concurrent debt tender offer and consent solicitation; availability of the proceeds of the financings contemplated by Pilgrim's Pride's amended credit agreement and commitment letter sufficient to finance the tender offer and related merger, to refinance debt of Gold Kist and Pilgrim's Pride in connection with the offer and related merger and to pay related fees and expenses; approval of the tender offer under the Delaware "business combination" statute or non-applicability of that statute; and a majority of the members of Gold Kist's board being Pilgrim's Pride nominees or otherwise acceptable to Pilgrim's Pride. The complete

¹ The average ratio of GKIS's closing stock price to PPC's closing stock price from October 7, 2004, the date of GKIS's IPO, through August 18, 2006, the last day of trading before PPC made public its all cash \$20 per share offer for GKIS, has been 0.507:1.00 (average ratio defined as the daily average of the relative stock prices over the measurement period).

terms and conditions of the tender offer will be contained in the Offer to Purchase included in the tender offer statement that Pilgrim's Pride will file with the Securities and Exchange Commission. The Offer to Purchase will also be mailed to Gold Kist shareholders.

Baker & McKenzie LLP and Morris, Nichols, Arsht & Tunnell, LLP are acting as legal counsel to Pilgrim's Pride. Credit Suisse, Legacy Partners Group LLC and Lehman Brothers Inc. are acting as financial advisors to Pilgrim's Pride. Innisfree M&A Incorporated is acting as information agent for Pilgrim's Pride's offer.

Pilgrim's Pride Corporation

Pilgrim's Pride Corporation is the second-largest chicken producer in the United States and Mexico and the largest chicken producer in Puerto Rico. Pilgrim's Pride employs approximately 40,000 people and has major operations in Texas, Alabama, Arkansas, Georgia, Kentucky, Louisiana, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, Mexico and Puerto Rico, with other facilities in Arizona, Florida, Iowa, Mississippi and Utah.

Pilgrim's Pride products are sold to foodservice, retail and frozen entree customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the United States and Puerto Rico and in the Northern and Central regions of Mexico. For more information, please visit <http://www.pilgrimspride.com>.

Forward-Looking Statements:

Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including as to the expected benefits of the proposed transaction with Gold Kist, are forward-looking statements. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has recently and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; changes in laws or regulations affecting our operations or the application thereof; competitive factors and pricing pressures or the loss of one or more of our largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; management of our cash resources, particularly in light of our leverage, and restrictions imposed by and as a result of, our leverage; inability to complete the proposed acquisition or effectively integrate Gold Kist's business or realize the associated cost savings and operating synergies currently anticipated; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Important Legal Information

This press release is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of Gold Kist. Any offers to purchase or solicitation of offers to sell Gold Kist shares will be made only pursuant to the tender offer statement (including the offer to purchase, the letter of transmittal and other offer documents) which will be filed with the Securities and Exchange Commission ("SEC"). Gold Kist stockholders are advised to read these documents and any other documents relating to the tender offer that are filed with the SEC carefully and in their entirety when they are filed because they will contain important information. Gold Kist stockholders may obtain copies of these documents for free (when they become available) at the SEC's website at www.sec.gov or by calling Innisfree M&A Incorporated, the Information Agent for the offer, at 877-687-1874 (toll free from the U.S. and Canada).

Pilgrim's Pride currently intends to solicit proxies for use at Gold Kist's 2007 Annual Meeting of Stockholders, or at any adjournment or postponement thereof, to vote to increase the number of directors constituting Gold Kist's entire board to 15 and fill nine positions on the expanded board with nominees of the president and chief executive officer of Pilgrim's Pride. Investors and security holders are urged to read the proxy statement and other disclosure documents regarding the proposed transaction, when they are filed, because they will contain important information. These disclosure documents will be filed with the Securities and Exchange Commission by Pilgrim's Pride Corporation and security holders may obtain a free copy of these disclosure documents (when they become available) and other documents filed with the SEC by Pilgrim's Pride Corporation at the SEC's web site at www.sec.gov. The disclosure documents filed with the SEC by Pilgrim's Pride Corporation may also be obtained for free by directing a request to Pilgrim's Pride Corporation at 4845 U.S. Highway 271 N, Pittsburg, Texas, 75686 Attn. Secretary. The identity of people who, under SEC rules, may be considered "participants in a solicitation" of proxies from Gold Kist stockholders for use at its 2007 Annual Meeting of Stockholders and a description of their direct and indirect interest in the solicitation, by security holdings or otherwise, is contained in the Form 425 filed by Pilgrim's Pride with the SEC on August 24, 2006.

Contacts:

Joele Frank / Steve Frankel
Joele Frank, Wilkinson Brimmer Katcher
212-355-4449

September 28, 2006

Board of Directors
Gold Kist Inc.
244 Perimeter Center Parkway, N.E.
Atlanta, GA 30346

Gentlemen:

Six weeks have passed since we publicly announced our proposal to acquire all of the outstanding shares of Gold Kist on August 18, 2006. Unfortunately, during all of this time there has been virtually no progress toward negotiating a mutually agreeable transaction. In addition, Gold Kist has not provided us any of the information we requested. Our financial and legal advisors have spoken with your financial and legal advisors numerous times and the path forward remains unclear. Given this state of affairs, you leave us no alternative but to take our offer directly to Gold Kist shareholders. We believe that Gold Kist shareholders will find our \$20 per share cash offer attractive and will seize the opportunity to maximize the value of their investment at a substantial premium to Gold Kist's share price prior to our offer.

Pilgrim's Pride Corporation today is announcing that it intends to commence a tender offer to purchase all of the outstanding shares of Gold Kist common stock for \$20 per share in cash. The transaction is valued at approximately \$1 billion, plus the assumption of approximately \$144 million of Gold Kist's debt.

The offer represents significant value for Gold Kist shareholders:

- A 55% premium over Gold Kist's closing stock price on August 18, 2006, the last day of trading before Pilgrim's Pride notified Gold Kist's board of directors in a public letter that it was offering \$20 per share in cash for the company.
- Since Gold Kist's initial public offering in 2004, its stock price has been on average approximately 50% of Pilgrim's Pride's stock price.¹ While stocks in our industry are subject to significant volatility, this relative trading value has remained consistent. Applying this average relative trading value of 50% to yesterday's Pilgrim's Pride closing stock price of \$28.22, implies a Gold Kist stock price of approximately \$14.31. Thereby, our offer represents an approximately 40% premium to this implied Gold Kist stock price.

Our board of directors unanimously supports the combination with Gold Kist. We have obtained financing for the tender offer through a combination of an amendment to our existing credit facility and a commitment letter for an additional credit facility from Lehman Brothers Inc. We

¹ The average ratio of GKIS's closing stock price to PPC's closing stock price from October 7, 2004, the date of GKIS's IPO, through August 18, 2006, the last day of trading before PPC made public its all cash \$20 per share offer for GKIS, has been 0.507:1.00 (average ratio defined as the daily average of the relative stock prices over the measurement period).

are confident that we can obtain the necessary regulatory approvals and meet other customary closing conditions.

Sincerely,

PILGRIM'S PRIDE CORPORATION

/s/ Lonnie "Bo" Pilgrim

Lonnie "Bo" Pilgrim

Chairman



September 28, 2006

Dear Pilgrim's Pride Employees:

As part of our effort to keep you informed about the ongoing situation with Gold Kist, I want to share an important announcement that Pilgrim's Pride made today.

Earlier today we announced our intention to commence a tender offer to purchase all the outstanding shares of Gold Kist common stock for \$20 per share in cash. This is another step toward becoming the world's leading chicken producer. Please see the attached press release, which outlines some of the important details about the offer, as well as the attached list of Frequently Asked Questions.

Some of you may be asking: "What is a tender offer and why did Pilgrim's Pride decide to begin a tender offer now?" A tender offer is an invitation open to all Gold Kist shareholders to tender – or sell – their Gold Kist shares to Pilgrim's Pride for \$20 per share in cash, if certain conditions are met. The tender offer is scheduled to expire at midnight, Eastern Daylight Time, on Friday, October 27, 2006, unless we decide to extend the offer to a later date.

As you know, on August 18 we made a proposal to Gold Kist's board to acquire the company for \$20 per share in cash. At the same time, we stated that we would prefer to work together with Gold Kist and its board of directors to negotiate a mutually beneficial agreement for our respective shareholders, employees, business partners and other stakeholders. However, Gold Kist has not taken any meaningful steps to reach such an agreement, and we have been forced to take our offer directly to Gold Kist shareholders.

As a reminder, Pilgrim's Pride must abide by certain legal and regulatory requirements in pursuing this transaction. Unfortunately, those requirements may, at times, restrict our communications. It is important that, as a company, we continue to speak with one voice on this matter. Please continue to forward all media inquiries to Gary Rhodes, Pilgrim's Pride vice president of corporate communications, at (903) 434-1495, and all investor inquiries to Kathy Costner, Pilgrim's Pride vice president of investor relations, at (903) 434-1430.

As always, we will try to keep you up-to-date as this situation develops. Additional information about our offer for Gold Kist is available at <http://www.pilgrimspride.com/corporate/GoldKist/>. Meanwhile, all of us must remain focused on our work and uphold the excellent standards that our customers expect from Pilgrim's Pride.

On behalf of our entire management team, thank you for your continued dedication and support.

Sincerely,

/s/ O.B. Goolsby, Jr.

O.B. Goolsby, Jr.

President and CEO



September 28, 2006

Dear Pilgrim's Pride Customers:

We want to make you aware of an important new development surrounding our interest in acquiring Gold Kist Inc.

Earlier today Pilgrim's Pride announced its intention to commence a tender offer to purchase all the outstanding shares of Gold Kist common stock for \$20 per share in cash. This is another step toward becoming the world's leading chicken producer. Please see the attached press release, which outlines some of the important details about the offer.

Some of you may be asking: "What is a tender offer and why did Pilgrim's Pride decide to begin a tender offer now?" A tender offer is an open invitation to all Gold Kist shareholders to tender – or sell – their Gold Kist shares to Pilgrim's Pride for \$20 per share in cash, if certain conditions are met. The tender offer is scheduled to expire at midnight, Eastern Daylight Time, on Friday, October 27, 2006, unless we decide to extend the offer to a later date.

As you know, on August 18 we made a proposal to Gold Kist's board to acquire the company for \$20 per share in cash. At the same time, we stated that we would prefer to work together with Gold Kist and its board of directors to negotiate a mutually beneficial agreement for our respective shareholders, employees, business partners and other stakeholders. However, Gold Kist has not taken any meaningful steps to reach such an agreement, and we have been forced to take our offer directly to Gold Kist shareholders.

We continue to believe that by combining our companies, we will be able to expand our geographic reach and customer base, allowing us to compete more effectively and provide even better service to you.

As this situation develops, we can assure you that it will remain business as usual at Pilgrim's Pride. All of us are focused on doing our jobs to our usual high standards, and continuing to provide outstanding service to you.

If you have any questions about this matter, do not hesitate to contact your Pilgrim's Pride sales representative. He/She will be happy to address any questions you might have.

As always, we appreciate your business and thank you for your continued support

Sincerely,

/s/O.B. Goolsby, Jr.

O.B. Goolsby, Jr.

President and CEO

/s/ Robert A. Wright

Robert A. Wright

Executive Vice President, Sales and Marketing



September 28, 2006

Dear Pilgrim's Pride Growers:

As part of our effort to keep you informed about the ongoing situation with Gold Kist, I want to share an important announcement that Pilgrim's Pride made this morning.

Earlier today Pilgrim's Pride announced its intention to commence a tender offer to purchase all the outstanding shares of Gold Kist common stock for \$20 per share in cash. This is another step toward becoming the world's leading chicken producer. Please see the attached press release, which outlines some of the important details about the offer.

Some of you may be asking: "What is a tender offer and why did Pilgrim's Pride decide to begin a tender offer now?" A tender offer is an open invitation to all Gold Kist shareholders to agree to tender – or sell – their Gold Kist shares to Pilgrim's Pride for \$20 per share in cash, if certain conditions are met. The tender offer is scheduled to expire at midnight, Eastern Daylight Time, on Friday, October 27, 2006. If we extend the expiration date of our tender offer, which often occurs, we will issue a press release announcing the new expiration date.

As you know, on August 18 we made a proposal to Gold Kist's board to acquire the company for \$20 per share in cash. At the same time, we stated that we would prefer to work together with Gold Kist and its board of directors to negotiate a mutually beneficial agreement for our respective shareholders, employees, business partners and other stakeholders. However, Gold Kist has not taken any meaningful steps to reach such an agreement, and we have been forced to take our offer directly to Gold Kist shareholders.

As always, we will try to keep you up-to-date as this situation develops. As growers for Pilgrim's Pride you know how much we value, respect and appreciate the work that each of you performs on behalf of our company. Looking ahead, please rest assured that you will continue to play an important role in helping us meet the needs of our customers.

You can learn more about our offer for Gold Kist by visiting this link on our corporate website: <http://www.pilgrimspride.com/corporate/GoldKist/>.

Over the next several weeks, there will likely be an increased amount of media attention surrounding Pilgrim's Pride. Please refer any media calls about the Gold Kist proposal to Gary Rhodes, Pilgrim's Pride vice president of corporate communications, at (903) 434-1495. If you have any questions, please do not hesitate to call your local complex manager or any member of the live production team in your area. We will do our best to answer your questions and address your concerns.

Thank you again for your hard work and dedication to Pilgrim's Pride.

Sincerely,

/s/ Clint Rivers

Clint Rivers
Chief Operating Officer

Equity Tender Offer FAQs

1. What is a tender offer?

A tender offer is a public bid for stockholders to sell their stock. Typically, a tender offer is commenced when the company making the offer – the bidder – places a summary advertisement, or “tombstone,” in a major national newspaper and the offer to purchase is printed and mailed to the target company’s stockholders. A tender offer must comply with the rules and regulations of the SEC, which include certain disclosure requirements, minimum offering periods, withdrawal rights, manner of publication, and other requirements.

Some of the other basic legal requirements and considerations of tender offers include:

- **The bidder must file a Schedule TO.** A bidder must, as soon as practicable on the commencement date of the tender offer, file a Schedule TO with the SEC (see “Key Documents” below). The bidder must deliver a copy of the Schedule TO to the target company, any other bidder that has filed a Schedule TO for an outstanding offer, and to each national securities exchange on which the target company’s securities trade.
- **The target must file a Schedule 14D-9.** Within 10 business days of the commencement of a tender offer, the target company’s board of directors must disseminate a statement to its security holders disclosing the target company’s position with respect to the offer. A Schedule 14D-9 (see “Key Documents” below) must be filed with the SEC on the date the recommendation is first published, sent or given to security holders.
- **Dissemination of information.** To enable a bidder to send the offer documents to the target company shareholders, the target may either provide the bidder with a shareholder list or directly mail the offer to purchase to its stockholders. If there is a mailing to stockholders, it will be sent to all holders.
- **Minimum duration of offer.** A tender offer must remain open for at least 20 business days after it begins. However, tender offers are often not completed within 20 business days when their conditions are not satisfied within that initial period. Also, an offer must remain open for at least 10 business days after certain material changes. In addition, security holders have withdrawal rights and may withdraw tendered shares during the entire period the equity tender offer remains open.

2. What is the “offer date”?

The day the offer commences, signaled by the mailing of an offer to target stockholders and/or placement of a “tombstone” ad in the national editions of the *Wall Street Journal* or *The New York Times*.

The offer date for Pilgrim’s Pride offer is scheduled for September 29, 2006.

3. What is the “expiration date”?

Every tender offer must be open a minimum of 20 business days. Every offer has an initial expiration date (i.e., the end of the 20th business day), but this expiration date may be extended by the bidder. Pilgrim’s Pride has announced that its tender offer is scheduled to expire at midnight, Eastern Daylight Time, on October 27, 2006; however, the expiration date may be extended. If Pilgrim’s Pride extends the expiration date of its tender offer, which often occurs, we will issue a press release announcing the new expiration date.

4. What is a shareholder rights plan?

A shareholder rights plan, sometimes referred to as a “poison pill,” makes it prohibitively expensive for the bidder to purchase over a certain percentage of the target company’s shares (20 percent in Gold Kist’s case) without the support of the target company’s board of directors. Once a shareholder acquires 20% of Gold Kist common shares, existing common shareholders (other than the 20% owner who has not been approved by Gold Kist’s board) have the opportunity to buy Gold Kist shares at a discount to the current market price. Exercise of the rights would cause substantial dilution to us and therefore would significantly increase the price we would have to pay to acquire Gold Kist. In some cases, a target company’s board of directors may have a fiduciary duty to take steps, such as redeeming the rights or amending the plan, to assure that the poison pill will not prevent the company’s shareholders from accepting a tender offer.

5. What is a proxy contest?

A proxy contest is a contest to win stockholder votes in an election of the corporation’s directors or the vote on a proposal put before the stockholders. Typically, the vote is held at a meeting of the stockholders. Stockholders may vote either in person or by proxy.

Along with our offer for Gold Kist, in order to preserve flexibility with respect to the proposed combination, the Pilgrim’s Pride’s President and Chief Executive Officer also submitted a shareholder proposal to adjust the number of directors on Gold Kist’s board and submitted a slate of nine nominees for election to Gold Kist’s board at the upcoming annual meeting of Gold Kist shareholders. If we are unable to reach a negotiated agreement with Gold Kist, we intend to solicit proxies for approval of this proposal and election of the board nominees. If the proposal is adopted and the nominees are elected, the nominees will constitute a majority of the Gold Kist board and we believe that, subject to their fiduciary duties, the nominees on the Gold Kist board would take the actions that may permit Gold Kist shareholders to accept our offer.

Key Documents

Schedule TO: The buyer’s tender offer statement. This is the official legal document that describes the offer, and includes the “offer to purchase,” the document that gets sent to stockholders. It is required to include, among other things, the target’s name; the number of shares sought and the price offered; any conditions attached to the offer; the background of any discussions or other contacts between the buyer and the target; the source and amount of funds the buyer has available for the purpose; the reasons the buyer is making the offer and what it proposes to do if it succeeds; and who is soliciting shares for the buyer.

Pilgrim’s Pride’s Schedule TO is expected to be filed with the SEC on September 29, 2006. It will be available at the following website addresses: www.pilgrimspride.com and www.sec.gov.

Schedule 14D-9: The target company’s SEC filing in response to an offer. It is a description of the target company board’s recommendation concerning the offer or a statement why the board is unable to take a position with respect to the offer. Whether the board advises stockholders to accept or reject, the company has to file this schedule. It includes who the board members are, which securities they are talking about, and whether they have made any arrangements with the bidder or among their own stockholders.

Gold Kist’s Schedule 14D-9 will be made available at www.sec.gov as soon as its board makes a recommendation to its stockholders on Pilgrim’s Pride’s offer.

Conditions for Tender Offer: Listed in the Offer to Purchase filed with the Schedule TO. These must be met or waived in order for the offer to be completed.

The tender offer is conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration date of the offer, at least a majority of the total number of Gold Kist's outstanding shares on a fully diluted basis; the redemption or amendment of Gold Kist's shareholder rights plan; the expiration or termination of all waiting periods imposed by applicable antitrust laws, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; there being validly tendered and not withdrawn a majority in principal amount of Gold Kist's public notes in a concurrent debt tender offer and consent solicitation; availability of the proceeds of the financings contemplated by Pilgrim's Pride's amended credit agreement and commitment letter sufficient to finance the tender offer and related merger, to refinance debt of Gold Kist and Pilgrim's Pride in connection with the offer and related merger and to pay related fees and expenses; approval of the tender offer under the Delaware "business combination" statute or non-applicability of that statute; and a majority of the members of Gold Kist's board being Pilgrim's Pride nominees or otherwise acceptable to Pilgrim's Pride.

The complete terms and conditions of the tender offer are contained in the Offer to Purchase included in the tender offer statement filed with the SEC.

Forward-Looking Statements:

Statements contained herein that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including as to the expected benefits of the proposed transaction with Gold Kist, are forward-looking statements. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has recently and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; changes in laws or regulations affecting our operations or the application thereof; competitive factors and pricing pressures or the loss of one or more of our largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; management of our cash resources, particularly in light of our leverage, and restrictions imposed by and as a result of, our leverage; inability to complete the proposed acquisition or effectively integrate Gold Kist's business or realize the associated cost savings and operating synergies currently anticipated; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Important Legal Information

This FAQ is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of Gold Kist. Any offers to purchase or solicitation of offers to sell Gold Kist shares will be made only pursuant to the tender offer statement (including the offer to purchase, the letter of transmittal and other offer documents) which will be filed with the Securities and Exchange Commission ("SEC"). Gold Kist stockholders are advised to read these documents and any other documents relating to the tender offer that are filed with the SEC carefully and in their entirety when they are filed because they will contain important information. Gold Kist stockholders may obtain copies of these documents for free (when they become available) at the SEC's website at www.sec.gov or by calling Innisfree M&A Incorporated, the Information Agent for the offer, at 1-877-687-1874 (toll free from the U.S. and Canada).

Pilgrim's Pride currently intends to solicit proxies for use at Gold Kist's 2007 Annual Meeting of Stockholders, or at any adjournment or postponement thereof, to vote to increase the number of directors constituting Gold Kist's entire board to 15 and fill nine positions on the expanded board with nominees of the president and chief executive officer of Pilgrim's Pride. Investors and security holders are urged to read the proxy statement and other disclosure

documents regarding the proposed transaction, when they are filed, because they will contain important information. These disclosure documents will be filed with the Securities and Exchange Commission by Pilgrim's Pride Corporation and security holders may obtain a free copy of these disclosure documents (when they become available) and other documents filed with the SEC by Pilgrim's Pride Corporation at the SEC's web site at www.sec.gov. The disclosure documents filed with the SEC by Pilgrim's Pride Corporation may also be obtained for free by directing a request to Pilgrim's Pride Corporation at 4845 U.S. Highway 271 N, Pittsburg, Texas, 75686 Attn. Secretary. The identity of people who, under SEC rules, may be considered "participants in a solicitation" of proxies from Gold Kist stockholders for use at its 2007 Annual Meeting of Stockholders and a description of their direct and indirect interest in the solicitation, by security holdings or otherwise, is contained in the Form 425 filed by Pilgrim's Pride with the SEC on August 24, 2006.

Pilgrim's Pride Corporation's Tender Offer for Gold Kist Inc. Frequently Asked Questions (FAQs)**1. What is a "tender offer"?**

A tender offer is an open invitation to all Gold Kist shareholders to tender - or sell - their Gold Kist shares to Pilgrim's Pride for \$20 per share in cash, if certain conditions are met. (Please visit <http://www.pilgrimspride.com/corporate/GoldKist/> for more information.)

2. How long will the tender offer last?

The tender offer is scheduled to expire at midnight, Eastern Daylight Time, on October 27, 2006, unless we decide to extend the offer to a later date. If Pilgrim's Pride extends the expiration date of its tender offer, which often occurs, we will issue a press release announcing the new expiration date.

3. Why hasn't there been any progress on our previous proposal to buy Gold Kist?

As you know, on August 18, 2006, we made a proposal to Gold Kist's board of directors to acquire the company for \$20 per share in cash. At the same time, we explained that we would prefer to work together with Gold Kist and its board to negotiate a mutually beneficial agreement. Unfortunately, there has been virtually no progress toward negotiating a mutually agreeable transaction, and we have been forced to take our offer directly to Gold Kist shareholders.

4. What happens if Gold Kist shareholders don't want to sell their shares?

We believe that given the chance to decide for themselves, Gold Kist shareholders will find our \$20 per share cash offer attractive and will seize the opportunity to maximize the value of their investment at a substantial premium to Gold Kist's share price prior to our offer.

5. What does this tender offer mean to me?

We believe the combination of Pilgrim's Pride and Gold Kist will generate substantial benefits for the employees, customers, business partners and shareholders of both companies. By combining our two companies, we'll be able to expand our geographic reach and customer base. This will allow us to compete more efficiently and provide even better service to customers. In addition, we believe this combination will result in greater career opportunities for you as we move forward and grow together.

6. What will happen to my job if we buy Gold Kist?

Pilgrim's Pride always has good places for good people. We believe that over the longer term, this combination will result in greater career opportunities for you as we move forward and grow together.

7. How much will it cost to buy Gold Kist?

Based on our offer of \$20 per share in cash and the amount of Gold Kist's outstanding debt, the total value of the transaction is approximately \$1.2 billion.

8. How can Pilgrim's Pride afford to buy Gold Kist when we've been losing money this year and we've been told to reduce costs?

Despite the significant business challenges we have faced this year, Pilgrim's Pride is confident of its ability to finance this acquisition. There are a number of large lenders who have formally committed to helping us purchase Gold Kist.

We believe the combination of Pilgrim's Pride and Gold Kist will create the world's leading chicken producer and result in substantial value creation for our respective shareholders, employees, and business partners. Together we will offer our customers an even wider variety of fresh chicken and value-added products from a broader geographic base. In addition, we will be able to operate more efficiently as a combined company.

9. What happens next?

The first step is to complete the tender offer. At this point it isn't clear how long that will take. Until then, all of us must remain focused on our work and uphold the excellent standards that our customers expect from Pilgrim's Pride. As always, we will try to keep you up-to-date as this acquisition moves forward. You can learn more about our offer for Gold Kist by visiting this link on our corporate website (<http://www.pilgrimspride.com/corporate/GoldKist/>).

10. Who can I contact with additional questions?

We must abide by certain legal and regulatory requirements in pursuing this transaction, which unfortunately, at times, may restrict our communications. It is important that, as a company, we continue to speak with one voice on this matter. Please continue to forward all media inquiries to Gary Rhodes, Pilgrim's Pride vice president of corporate communications, at (903) 434-1495, and all investor inquiries to Kathy Costner, Pilgrim's Pride vice president of investor relations, at (903) 434-1430.

Forward-Looking Statements:

Statements contained herein that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including as to the expected benefits of the proposed transaction with Gold Kist, are forward-looking statements. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has recently and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; changes in laws or regulations affecting our operations or the application thereof; competitive factors and pricing pressures or the loss of one or more of our largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; management of our cash resources, particularly in light of our leverage, and restrictions imposed by and as a result of, our leverage; inability to complete the proposed acquisition or effectively integrate Gold Kist's business or realize the associated cost savings and operating synergies currently anticipated; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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FOR IMMEDIATE RELEASE

**Pilgrim's Pride to Commence Cash Tender Offer for Gold Kist's 10.25%
Senior Notes due 2014**

Pittsburg, TX. September 28, 2006 — Pilgrim's Pride Corporation (NYSE: PPC) today announced that it intends to commence a cash tender offer to purchase all of Gold Kist's (NASDAQ: GKIS) outstanding 10.25% Senior Notes due March 15, 2014, on the terms and subject to the conditions set forth in its Offer to Purchase and Consent Solicitation Statement, to be dated September 29, 2006, and the related Consent and Letter of Transmittal. The tender offer will be conducted in connection with Pilgrim's Pride's announced equity tender offer to purchase all of the outstanding shares of Gold Kist common stock for \$20 per share in cash.

In conjunction with the tender offer, Pilgrim's Pride will also seek consents to certain proposed amendments to certain provisions of the indenture that governs the Notes. The purpose of the proposed amendments is to eliminate substantially all restrictive covenants, eliminate or modify certain events of default and eliminate or modify certain other provisions of the indenture.

The tender offer will cover all of the outstanding Notes and will be made on the terms and subject to the conditions set forth in the Offer to Purchase and Consent Solicitation Statement to be dated September 29, 2006. Holders who desire to tender their Notes must consent to the proposed amendments, and holders may not deliver consents without tendering the related Notes. The tender offer is conditioned upon, among other things, the receipt of consents from the holders of a majority in aggregate outstanding principal amount of the Notes and satisfaction of the conditions to the equity tender offer.

The early consent period will expire at 5:00 p.m., Eastern Daylight Time, on October 13, 2006 (the "Consent Date") unless extended by Pilgrim's Pride. The tender offer will expire at midnight, Eastern Daylight Time, on Friday, October 27, 2006 (the "Expiration Date") unless extended or terminated earlier. Pilgrim's Pride reserves the right to extend, amend or terminate the tender offer and consent solicitation at any time. Notes and related consents may be withdrawn up to 5:00 p.m., Eastern Daylight Time on the Consent Date, but not thereafter. Notes tendered and related consents delivered after 5:00 p.m., Eastern Daylight Time, on the Consent Date may not be withdrawn or revoked.

Holders who validly tender and do not withdraw Notes and deliver consents prior to 5:00 p.m., Eastern Daylight Time, on the Consent Date are eligible to receive the total consideration, which includes a consent payment of \$30.00 per \$1,000 principal amount of Notes. Holders who validly tender Notes after 5:00 p.m. on the Consent Date, but on or prior to the Expiration Date, will receive the tender consideration, which is the total consideration less the consent payment. In addition, holders who tender and do not withdraw their Notes in the tender offer will receive accrued and unpaid interest from the last interest payment date up to, but not including, the date payment is made for the Notes.

The total consideration for the Notes tendered and accepted for purchase pursuant to the tender offer will be determined as specified in the tender offer documents, on the basis of a yield to the first redemption date for the Notes equal to the sum of (i) the yield (based on the bid side price) of the 2.625% U.S. Treasury Security due March 15, 2009, as calculated by Lehman Brothers Inc. in accordance with standard market practice on the price determination date, as described in the tender offer documents, plus (ii) a fixed spread of 50 basis points.

Lehman Brothers Inc. is acting as dealer manager for the tender offer and as solicitation agent for the consent solicitation. Questions about the tender offer or the consent solicitation may be directed to Lehman Brothers Inc. at 1-800-438-3242 (toll free) or 1-212-528-7581 (collect). Requests for copies of the related documents may be directed to Innisfree M&A Incorporated, which has been appointed as the information agent for the tender offer and consent solicitation, at 1-877-687-1874 (toll free).

This release is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consent of any Notes. The tender offer and the consent solicitation will be made solely by the Offer to Purchase and Consent Solicitation Statement to be dated September 29, 2006.

Pilgrim's Pride Corporation

Pilgrim's Pride Corporation is the second-largest chicken producer in the United States and Mexico and the largest chicken producer in Puerto Rico. Pilgrim's Pride employs approximately 40,000 people and has major operations in Texas, Alabama, Arkansas, Georgia, Kentucky, Louisiana, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, Mexico and Puerto Rico, with other facilities in Arizona, Florida, Iowa, Mississippi and Utah.

Pilgrim's Pride products are sold to foodservice, retail and frozen entree customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the United States and Puerto Rico and in the Northern and Central regions of Mexico. For more information, please visit <http://www.pilgrimspride.com>.

Forward-Looking Statements:

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Contacts:

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