



SALES CONTRACT TERMS & CONDITIONS

1. Acceptance and Detrimental Reliance: These Terms and Conditions (“Terms”), together with any accompanying Sales Contract¹ and invoice (collectively, this “Agreement”) shall be binding upon Viobin Products, LLC, its successors and assigns (“Seller”) and the buyer (“Buyer”). All deliveries of goods described in this Agreement (the “Goods”) by Seller to Buyer shall be delivered and accepted upon the terms and conditions set forth in this Agreement, which are the only terms that govern the sale of the Goods. Based upon this Agreement with Buyer, Seller has relied to its detriment that Buyer will fully perform hereunder by immediately taking commodity equity positions with regard to the Buyer’s purchase of the Goods to be delivered hereunder.
2. Net Weights: The Goods covered by this Agreement are sold on the basis of net weights when packed, or, if shipped in bulk, net weights when loaded and such shall govern. Unless otherwise stated in this Agreement, Seller’s weights, analysis and condition, at origin, will govern.
3. Installment Contract: If this Agreement requires or authorizes the delivery of Goods in separate lots to be separately accepted by Buyer, Buyer may only refuse such portion of such lot or shipment that fails to comply with the requirements of this Agreement. Buyer may not refuse to receive any lot or portion of Goods shipped hereunder for failure of any other lot or portion of a lot to be delivered or to comply with this Agreement, unless such right of refusal is expressly provided for on the face of the related invoice.²
4. Extension of Credit and Collections In the event Buyer designates the collecting bank, it shall be responsible to Seller for any loss or damage to Seller by reason of any failure or default on the part of said bank in connection with payment by Buyer under this Agreement. At Seller’s request, Buyer shall provide Seller with financial

¹ Will there always be a sales contract? (see paragraph 26.) Will these terms always be attached?

² Changed to refer to an invoice since these Terms don’t have a right of refusal on their face. But see paragraph 27.

statements and other information necessary for Seller to determine Buyer's financial condition. Should Buyer's financial strength become unsatisfactory to Seller, Seller may, in its discretion, withhold further shipments, require immediate cash payments for past and future shipments or require other security satisfactory to Seller before further deliveries shall be made. If Buyer fails to pay Seller in accordance with this Agreement, Seller has the right, in addition to any other rights or remedies provided in this Agreement, or at law or in equity, and subject to any right Buyer has by law to correct its default, to declare the entire balance of Buyer's account immediately due and payable or to foreclose any security interest that Seller may have in the Goods delivered. If any unpaid balance is referred for collection, Buyer agrees to pay (in addition to all damages otherwise available to Seller), to the extent permitted by law, reasonable attorney fees, whether or not litigation is commenced or prosecuted to final judgment, plus any court costs or expenses incurred by Seller, and any finance charge accrued on any unpaid balance owed by Buyer, all as calculated in accordance with this Agreement, until all amounts owed to Seller that are due are under this Agreement are paid in full.³

5. Finance Charges: If Buyer fails to pay any invoice amounts due by their respective due dates, Buyer agrees to pay FINANCE CHARGES on the unpaid balance of all overdue invoices, less any applicable payments and credits, from the date the total amount of each invoice is due and payable at an ANNUAL PERCENTAGE RATE of EIGHTEEN PERCENT (18%), or the highest applicable and lawful rate on such unpaid balance, whichever is lower.
6. Pricing and Payment Terms, Taxes and Freight Rates: The applicable pricing and payment terms under this Agreement shall be as stated in each of Seller's invoices. If not otherwise stated, Buyer shall be required to make all payments at least thirty (30) days prior to each scheduled shipment. ⁴Pricing for the Goods as set forth within each invoice does not include taxes, impositions, exactions, transportation or freight costs or fuel surcharges, or charges of any nature unless separately itemized or specifically stated that same (which are in effect on the date of the invoice) are included. Any and all taxes, impositions, exactions or charges, or any increase therein, whether for revenue or for regulation of commerce, or for any other purpose, not in effect on the date of this Agreement, which may, prior to the conception of deliveries hereunder, be levied, imposed, required, or increased by the United States or any State thereof or other Governmental agency on or

³ Consider moving to default section.

⁴ Will payments generally be made prior to shipment? If so, when would there be a finance charge?

measured in terms of any of the finished products remaining unshipped and which are to be delivered hereunder, or on or measured in terms of any commodity used in the manufacture of such containers, or the processing, purchase, sale, holding for sale, distribution, dealing in, transportation, use or handling of any of such products, commodities or containers, if paid or borne by Seller directly or indirectly shall be billed separately to Buyer, where not prohibited by law, and where the determination of the amount of the tax, imposition, exaction, charge or increase per cwt. or other unit of measure is possible of calculation by the application of any official published conversion rate or otherwise, and shall be paid by Buyer to Seller. Any of such taxes, impositions, exactions, charges or increases which the Seller shall be finally relieved from paying or which shall be later refunded or returned to Seller at any time and for any cause shall be refunded or credited to Buyer by Seller as promptly as possible after deduction by Seller of any reasonable expenses incurred in preventing collection of such taxes, impositions, exactions, charges or increases or in obtaining or securing such refunds or returns and in making such reimbursement to Buyer, and after paying and discharging all tax liabilities to which Seller may be subjected by reason of its having been relieved from paying such taxes, impositions, exactions, charges or increase or having secured such refunds or returns. Seller shall be under no obligation to contest the validity of any such tax, imposition, exaction, charge or increase or to prosecute any such claims for refunds or returns, but in the event Seller does not elect to contest such taxes, impositions, exactions, charges, or increases, or to prosecute such claims for refunds, Buyer shall be entitled to an assignment on mutually acceptable conditions of all to Seller's rights and causes of action in the premises.

7. Shipments The basis of shipment is F.O.B. origin at Seller's facility, and Seller's placement of the Goods in the hands of the shipping carrier at Seller's point of origin/shipment shall constitute delivery to Buyer. Buyer shall furnish Seller complete shipping instructions (and when required, the necessary containers) at least seven (7) days before the time of shipment; any failure to deliver such instructions shall relieve Seller of its responsibility to make delivery until such time as instructions are delivered. Unless separately stated on each invoice, Buyer is solely responsible for, and pricing for the Goods does not include, freight, shipping or any transportation costs or any other costs or charges of any kind related thereto; Buyer shall pay such amounts to Seller or directly to the shipping carrier. If there is more than one installment of goods shipped or stipulated to be shipped, this Agreement shall be construed to be severable as to each installment, and breach or default of either Buyer or Seller as to any installment or installments shall not give

the other party a right to cancel this Agreement, except as herein otherwise expressly provided.

8. Title & Risk Loss: Unless otherwise stated in this Agreement, title to the Goods and risk of loss shall pass to Buyer when the Goods sold hereunder are placed in the hands of the shipping carrier, and Buyer hereby assumes all responsibility for costs, shortages, losses, delays or damage in transit thereafter. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Illinois Uniform Commercial Code.
9. Inspection: Buyer hereby waives any claim or defense based on the quality of the Goods specified herein, unless within ten (10) days after Buyer learns by use or otherwise of the defect complained of, but in any event within thirty (30) days after said Goods arrive at Buyer's designated destination, Buyer sends Seller at Seller's main office a letter by registered mail to Chief Executive Officer, Viobin Products, LLC specifying the nature of the complaint. Any claim by Buyer (i) that any goods or services do not conform to the agreed-specification or (ii) made otherwise with respect to the Goods must be made promptly in accordance with the preceding sentence. Buyer's exclusive remedy and Seller's exclusive liability for delivery of nonconforming Goods or for breach of warranty is expressly limited to, at Seller's option, (i) replacement of the nonconforming Goods, or (ii) refunding to Buyer its purchase price to the extent already paid by Buyer. All nonconforming Goods must be returned to Seller, or, at Seller's discretion, disposed of by Buyer in a manner acceptable to Seller. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods or evidence of their destruction, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods.
10. Limited Warranty: Seller warrants (i) that the Goods sold hereunder, as of the date of shipment, will conform to the agreed upon specifications, if any; and (ii) Seller has the right to convey good title to the Goods, free and clear of all encumbrances and liens. EXCEPT FOR THE FOREGOING EXPRESS WARRANTIES, SELLER MAKES NO OTHER WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS DESCRIBED HEREIN, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER INDIVIDUAL OR ENTITY ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 10 OF THIS AGREEMENT..

11. Limitation of Liability: SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO THIS AGREEMENT, DIRECTLY OR INDIRECTLY ARISING FROM BUYER'S PURCHASE OR USE OF THE GOODS REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. SELLER'S TOTAL LIABILITY TO BUYER FOR ANY BREACH OF SELLER'S LIMITED WARRANTY, OR FOR ANY CLAIM THAT THE GOODS DELIVERED HEREUNDER WERE DEFECTIVE OR NON-CONFORMING, SHALL BE LIMITED TO THE INVOICE PRICE OF ANY GOODS SHOWN TO BE DEFECTIVE, NON-CONFORMING, OR IN VIOLATION OF THE LIMITED WARRANTY PROVIDED HEREIN. Any action or claim under this Agreement shall be commenced within one (1) year after the Seller's actions giving rise to such claim or such claim will be deemed waived.
12. Indemnification: Buyer shall be solely responsible for determining the adequacy of the Goods sold hereunder for any and all uses to which Buyer shall apply said Goods. Buyer agrees to hold Seller harmless from and against any and all claims arising out of connected with or in any way related to Buyer's use of the Goods and to indemnify Seller against any and all such claims, suits, loss, damage, or other liability which may arise in connection with Buyer's use of the Goods covered by this Agreement.
13. Default:⁵ Each parties respective rights to terminate upon default shall be as follows: (i) Buyer fails to make any payment when due, fails to perform any other of its obligations hereunder, or breaches any other agreement between the parties, or if Buyer makes any assignment for the benefit of its creditors, or if a petition under any State or Federal bankruptcy or insolvency law is filed by or against Buyer, or if a receiver of Buyer's property is appointed, then Buyer shall be in breach of this Agreement, and Seller shall, in addition to any other remedy, have the right to

⁵ Why give buyer a termination right?

immediately withhold further deliveries and/or the right to terminate this Agreement immediately by written notice to Buyer and settle any outstanding contract equity that Buyer may have in this Agreement based on market values as of the date that the notice is sent by Seller or received by Seller; or (ii) Seller fails to perform any of its express obligations related to the Goods hereunder, then Seller shall be in breach of this Agreement, and Buyer shall have the right to provide a 30-day written notice of termination to Seller and if Seller fails to cure such breach within such 30-day notice period then Buyer shall, as its sole remedy, have the right to terminate this Agreement immediately by written notice to Seller and settle any outstanding contract equity that Buyer may have in this Agreement based on market values as of the date that the notice is sent by Seller or received by Seller. Any such notice under this provision sent by Buyer to Seller shall be sent to: Legal Department, 226 W. Livingston St, Monticello, IL 61856 and any notices from Seller to Buyer shall be to the contact name and address set forth in the invoice or order Agreement.

14. Provisions for Automatic Extension: If Buyer fails to furnish complete shipping instructions (and when required, the necessary containers) to Seller at least seven (7) days before the date for any shipment, or if Buyer fails to schedule and/or take timely delivery of any goods and/or services on the date specified in the Agreement or invoice, then Seller (in its sole discretion and in addition to any other remedy provided in this Agreement or at law or in equity) may elect to exercise its right to terminate this Agreement or automatically extend this Agreement on a day to day basis until Buyer either furnishes complete shipping instructions (and when required, the necessary containers) and/or takes delivery of any goods and/or services in accordance with the provisions of this Agreement. In addition, Buyer shall pay carrying charges, storage fees, demurrage, detention and/or other charges, fees or penalties and/or any other costs or losses suffered by Seller due to Buyer's failure to fulfill its obligations or comply with the provisions of this Agreement.
15. Seller's Intellectual Property: Buyer may not use Seller's trade names, trademarks, logos, service marks, or other proprietary marks.
16. Confidential Information. All information provided by Seller hereunder, including, but not limited to, the terms and conditions of this Agreement and all pricing and specifications information must be held in strict confidence by Buyer. This obligation shall survive the termination or expiration of this Agreement.
17. Waiver: Waiver by either party of any default of the other shall not operate to excuse the defaulting party from further compliance with this Agreement. If Buyer fails to

make any payment under this Agreement, when due, Seller, in addition to other legal remedies, shall have the right to terminate this Agreement.

18. Force Majeure: A party will be excused from a failure to perform or a delay in performance of any non-monetary obligations caused by events beyond its reasonable control if that party (i) takes reasonable efforts to remove the cause of its inability to perform or its delay in performance and (ii) gives prompt notice to the other party of the particulars of its inability or delay. In the event Seller is unable to supply the total requirements of its customers, Seller may allocate its available supply among its customers in a manner determined by Seller to be fair and equitable. Seller will have the right to terminate this Agreement, without any liability to Buyer, if either party's performance is excused or delayed for more than twenty (20) calendar days.
19. Right to Offset: Without limiting Seller's other rights and remedies, Seller has the right to set off and/or net its obligations under this Agreement against any debts, claims or obligations owed by Buyer to Seller.
20. Assignment. Buyer may not assign this Agreement without the express written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement. This Agreement will be binding upon and inure to the benefit of the Seller and its successors and permitted assigns.
21. NGFA@ Arbitration of Disputes. If the Goods are commodity grains products, or millfeed or grain by-products, the parties to this Agreement agree that the sole remedy for resolution of any and all disagreements or disputes arising under or related to this Agreement shall be through arbitration proceedings before the National Grain and Feed Association (NGFA) pursuant to the NGFA Arbitration Rules. The decision and award determined through such arbitration shall be final and binding upon the Buyer and Seller. Judgment upon the arbitration award may be entered and enforced in any court having jurisdiction thereof. (Copies of the NGFA6 Arbitration Rules are available from the National Grain and Feed Association, 1250 Eye Street, N.W., Suite 1003, Washington, D.C. 20005; Telephone: 202-289-0873; Website: <http://www.ngfa.org>). If the Goods are packaged or bulk, then the parties to this Agreement agree that resolution of any and all disagreements or disputes arising under or related to this Agreement shall be through arbitrations proceedings before the American Arbitration Association pursuant to the Commercial Arbitration Rules, and such arbitration shall take place in Illinois.

22. NGFA Trade Rules to Apply: If the Goods are commodity grains products, oil products or millfeed or grain by-products, this Agreement shall be subject to the Trade Rules of the National Grain and Feed Association (NGFA), which are incorporated herein. (Copies of the NGFA Trade Rules are available from the National Grain and Feed Association, 1250 Eye Street, N.W., Suite 1003, Washington, D.C. 20005; Telephone: 202-289-0873; Website: <http://www.ngfa.org>). If the Goods are packaged or bulk flour, then the NGFA Trade Rules shall not apply to this Agreement, and this Agreement shall be subject and interpreted in accordance with the laws of the State of Illinois
23. Destination Control Clause: The goods, services and/or intellectual property subject to this Agreement, if intended to be exported (or re-exported) from the United States, will be exported (or re-exported) in accordance with the U.S. Export Administration Regulations. Diversion contrary to U.S. law is prohibited. The goods, services, and/or intellectual property may not be resold to, disposed of, or transported on or by a carrier owned, flagged, leased, or chartered by, any country (including Cuba), person or entity which would cause Seller to be in violation of or be penalized by United States or other applicable economic sanctions laws. Additional information is available from Seller upon request.
24. Cross-Border Trades in North America. The following international conventions will NOT apply to this Agreement: (i) the Uniform Law on the Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods, (ii) the United Nations Convention on Contracts for the International Sale of Goods of 1980 and (iii) the United Nations Convention on the Limitations Period in the International Sale of Goods, concluded in New York on 14 June, 1974, and the Protocol Amending the Convention on the Limitations Period in the International Sale of Goods, concluded in Vienna on 11 April, 1980.
25. Governing Law: The laws of the State of Illinois will govern this Agreement without giving effect to any conflict of laws provisions thereof that would result in the application of the laws of a different jurisdiction.
26. Notices: Any notices required under this Agreement shall be deemed properly given when sent via facsimile transmission and/or certified mail, return receipt requested, to Buyer or Seller, at the address on the face hereof, or at their principal place of business, and, in any event, with a copy to Viobin Products, LLC, Attn: Legal Department, 226 W. Livingston St, Monticello, IL 61856. Notice hereunder shall be deemed to have been given on the date delivered.

27. Entire Agreement: This Agreement, together with the Sales Contract and invoices, incorporate all the understandings of the parties with respect to the matters contained herein and supersede all prior agreements, negotiations or communications, whether oral, written, or implied concerning the subject matter of this Agreement. If Buyer has completed a credit application, the terms and conditions of the credit application are incorporated herein. This Agreement supersedes any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Seller expressly rejects Buyer's general terms and conditions of purchase, and fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions or serve to modify or amend these Terms. In the event of any conflict between these Terms and the Sales Contract, these Terms will control. In the event of any conflict between these Terms and any invoice, the terms of the invoice will control.⁶ These Terms may not be changed except with the written agreement of the Buyer and Seller and may not be waived except with the written consent of the waiving party. Except for any formal written sales agreement signed by both parties, in the event of any discrepancy between this Agreement and any invoice or other agreement between the parties, the terms of this Agreement shall control.

28. Severability If any provision of this Agreement is held to be invalid, illegal or unenforceable, either in whole or in part, that holding will not affect the validity, legality or enforceability of the remaining provisions of this Agreement.

⁶ See the last sentence of paragraph 3 but see last sentence of this paragraph.