

# Mueggenburg Farms, Inc.

## Standard Terms & Conditions

The following terms shall apply to **all products and all services** purchased by you (the “Customer”) from Mueggenburg Farms Inc (“MFS”). By placing an order or accepting delivery of MFS’s products and/or services, Customer agrees to be bound by the following terms and conditions.

1. Invoice amounts are due and payable within the time period designated on the invoice, measured from the date of the invoice. Customer may not setoff any disputed claims against any undisputed invoices or statements.
2. Customer agrees to pay interest on all past due sums at the lesser of the rate of 1.5% per month, or the highest rate permitted by law. Customer shall also be responsible for a service charge of \$30.00 on all returned checks
3. Separate charges for shipping or special services provided by MFS will be shown on MFS’s invoices. Unless Customer provides MFS with a valid tax exemption certificate prior to MFS’s acceptance of the order, Customer is responsible for sales and all other taxes associated with the order.
4. Title to products passes to Customer on shipment from MFS’s facility except for custom-blended products in which case title passes upon blending. Loss or damage that occurs during shipping by a carrier selected by MFS shall be MFS’s responsibility. Loss or damage that occurs during shipping by a carrier selected by Customer is Customer’s responsibility.
5. MFS warrants that all of its products and services are of merchantable quality. Aside from such warranty, MFS makes no other warranties of any kind related to products or services provided under this agreement.
6. Any claim related to defective merchandise must be made in writing to MFS within ten days of delivery to Customer. The claim shall specify the nature of the defect in detail, and Customer shall cooperate with all reasonable requests to inspect or otherwise access the products in order to allow MFS to evaluate the claim. If MFS determines that any products or services are defective, it shall, at its election, either replace the defective products or services, or refund Customer’s purchase price.
7. **THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WHETHER ARISING FROM COMMON LAW, STATUTE, CUSTOM OR OTHERWISE. NO PERSON HAS ANY AUTHORITY TO BIND THE COMPANY TO ANY REPRESENTATION AND WARRANTY OTHER THAN AS SET FORTH HEREIN.**
8. **MFS’S LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO REPLACING THE PRODUCTS OR REFUNDING CUSTOMER’S PURCHASE PRICE. IT IS UNDERSTOOD AND AGREED THAT MFS SHALL NOT BE LIABLE FOR ANY OTHER CLAIMS BY CUSTOMER INCLUDING LOST PROFITS, DAMAGE TO BUSINESS OR GOODWILL OR ANY OTHER CONSEQUENTIAL DAMAGES OF ANY KIND EVEN IF MFS HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.**
9. Customer has reviewed and is familiar with the Safety Guidelines for herbs and herbal products as established by the American Herbal Products Association. Customer shall be solely responsible for all subsequent use or resale of any products purchased from MFS, including the blending and labeling of such products. **CUSTOMER FURTHER AGREES TO INDEMNIFY AND HOLD MFS HARMLESS FROM ANY AND ALL CLAIMS THAT MAY BE ASSERTED AGAINST MFS RESULTING FROM THE USE OF ANY PRODUCTS MARKETED BY CUSTOMER IN WHICH CUSTOMER HAS MIXED, BLENDED, ALTERED, OR PACKAGED PRODUCTS CONTAINING INGREDIENTS SOLD BY MFS.**
10. Customer shall be responsible for complying with all relevant legal regulations related to the resale and/or distribution of products purchased from MFS.

11. The sale of all custom blended products is final upon blending. Customer acknowledges and agrees that any products that are custom blended by MFS pursuant to Customer's instructions or purchase order may only be returned if such products are found to be defective and the claim for such defects complies with the provisions of paragraph 6 herein.
12. In the event MFS purchases any customized packaging for Customer including, but not limited to, any labels, bags, jars, boxes, or similar items that are purchased specifically for use in preparing Customer's products, Customer agrees to reimburse MFS for the full cost of any such packaging that is discontinued by Customer or for any reason is not used in Customer's final manufactured products.
13. All terms and conditions set forth herein shall apply to the accompanying order, but such terms are subject to change with respect to future orders without prior notice at any time at MFS's sole discretion. Other than as specifically agreed to in a separately signed formal purchase agreement between Customer and MFS, these terms and conditions may not be altered or supplemented by the use of purchase orders or any other documents.
14. This agreement and all sales made hereunder shall be interpreted and enforced in accordance with the laws of the State of California without regard to conflicts of law rules.
15. Any claims arising under or relating in any way to this agreement that are within the jurisdiction of the Oregon Small Claims Court shall be settled in such forum. Any greater claims arising out of or relating in any way to this agreement shall be settled exclusively by binding arbitration in Oregon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing party in such arbitration proceedings shall be entitled to recover all costs of arbitration, including reasonable attorney fees.