

TERMS AND CONDITIONS OF SUPPLY

THIS AGREEMENT is made between **HERBAL INGENUITY**, a corporation organized under the laws of the State of North Carolina, with a principal place of business in Wilkesboro, North Carolina (the "Seller"), and _____ organized under the laws of the State of _____ (the "Buyer"), with a principal place of business in _____ ;

WITNESSETH:

WHEREAS, Buyer wishes to purchase products from Seller pursuant to Price Quotes issued by Seller and Purchase Orders (referred to as "PO") issued by Buyer.

WHEREAS, Seller and Buyer intend and agree that the Price Quotes accepted by Buyer; the Purchase Orders issued by Buyer; and this Agreement of General Terms and Conditions shall constitute the legal documents which control the rights, interests and liabilities of the Buyer and Seller on each and every purchase made by Buyer.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein and in the Price Quote and Purchase Order, the parties agree to the following terms and conditions as follows:

1. Sale of Goods. Seller shall sell to the Buyer and Buyer shall purchase from Seller the goods identified and set forth in the Purchase Orders submitted by Buyer.
2. Price. The Buyer shall pay to Seller the price for the goods set forth in the Price Quotes accepted and acknowledged by Buyer upon the terms set forth below. The Price Quotes provided by Seller are incorporated herein by reference.
3. Payment. Unless stated otherwise in the PO, payment for the goods is due upon receipt of the Seller's invoice. In the event Seller does not receive payment from the Buyer within 30 days of the date of Seller's invoice, Seller shall be entitled to 1 ½% per cent interest per month on the unpaid balance of the invoice until all amounts owed to Seller are paid in full.
4. Security Interest. Buyer hereby grants to Seller a security interest in the goods sold to Buyer under this Agreement and any proceeds therefrom (including accounts receivable) until payment in full for the goods has been received by Seller. Buyer hereby agrees to sign and deliver to Seller any and all documents reasonably requested by the Seller to perfect this security interest in the goods.
5. Delivery; Title; Risk of Loss. Unless stated otherwise in the PO, Seller shall deliver the goods EXW from shipping point in Wilkesboro, North Carolina. Title and risk of loss to the goods will pass to the Buyer upon such delivery by the Seller. The parties agree that any stated delivery dates are approximate and that the Seller will not be liable for any losses, damages, penalties or expenses for failure to meet any delivery date specified.

6. Force Majeure. Seller shall not be liable for delays in performance or for non-performance due to unforeseen circumstances or causes beyond the Seller's control.
7. Disclaimer of Warranties. Unless stated otherwise in the PO, the goods are being sold in fair, average quality (FAQ) and Seller disclaims all warranties of quality, whether express or implied, including the warranties of merchantability and fitness for a particular purpose. Buyer acknowledges that Seller has not made any statements or representations with respect to the quality or condition of the goods unless such statements or representations are specifically in writing and signed by Seller and presented to Buyer.
8. Acceptance. Buyer shall have the right to inspect the goods upon receipt and, within 20 business days after deliver, Buyer shall give notice to Seller in writing of any claim that the goods are non-conforming or damaged on account of the condition, quality or grade of the goods. Buyer shall specify the basis of the claim in writing and in detail. Failure of Buyer to comply with these conditions will constitute irrevocable acceptance of the goods by Buyer. If Buyer properly rejects the goods or any portion of the goods, the return and shipment of the goods shall be made under terms and conditions set forth by Seller to Buyer. Any return or attempt to return of goods to the Seller in violation of the Seller's terms and conditions of return or without Seller's knowledge shall not be adequate rejection of the goods.
9. Limitation of Liability. Seller shall not be liable for any indirect, special, consequential, punitive damages or lost profits arising out of or relating to this agreement or the transactions contemplated by this agreement (whether for breach of contract, tort, negligence, or other form of action) and irrespective of whether Seller has been advised of the possibility of any such damage. In no event will Seller's liability exceed the price Buyer paid to Seller for the specific goods provided by Seller giving rise to the claim or cause of action.
10. Limitation of Actions. No action arising out of or relating to this agreement or the transactions contemplated in this agreement may be commenced against Seller more than 12 months from the accrual of any claim or cause of action.
11. Assignment of Buyer. Neither party may assign any of its rights and obligations under this agreement or delegate any performance under this agreement without the prior written consent of the other party. Any purported assignment of rights or delegation of performance in violation of this section shall be deemed null and void.
12. Default and Seller's Remedies. In the event that Buyer defaults in any terms and conditions of this agreement, Seller shall be entitled to seek all legal and equitable remedies to which Seller may be entitled.
13. Attorneys' Fees. In the event Seller is required to hire legal counsel to require performance under this agreement or to enforce any of the terms or conditions of

this agreement, Seller shall be entitled to recover from Buyer all attorney fees incurred by Seller.

14. Governing Law and Designation of Forum. The laws of the State of North Carolina (without giving effect to its conflicts of law and principles) shall govern all matters arising out of and relating to this agreement and to the transactions contemplated by this agreement including, without limitation:
 - (a) its interpretation, construction, validity, performance and enforcement;
 - (b) any legal action or equitable proceeding brought by a party against the other party arising out of or related to this agreement or the transactions contemplated by this agreement shall be instituted in the Superior Court of Wilkes County, North Carolina;
 - (c) Buyer and Seller hereby consent to exclusive jurisdiction of the Superior Court of Wilkes County for the purpose of all legal actions and equitable proceedings arising out of or relating to this agreement or the transactions contemplated by this agreement.
15. Conflict of Terms. To the extent any terms of the PO and this Agreement conflict, the terms set forth in the PO shall prevail and control.
16. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether oral or written, between the parties or their representatives. All prior agreements, whether oral or written, between the parties or their representatives shall be deemed merged into this Agreement.
17. Validity. In the event any provision of this agreement shall be deemed to be invalid or unenforceable by a court of competent jurisdiction, then such provision that is deemed invalid or unenforceable shall be stricken from this agreement and all remaining terms and conditions of this agreement shall remain in full force and effect.
18. Amendments. No amendment to this agreement will be effective unless it is in writing and signed by both parties.
19. Effective Date and Duration. This agreement will become effective when both parties have affixed their signatures hereto. The date the last party signs this agreement (as indicated by the date associated with that party's signature) will be deemed the effective date of this agreement. This Agreement shall remain in full force and effect from the Effective Date until amended or terminated.
20. Binding Effect. It is the understanding and intent of the parties, and the parties hereby agree that unless the PO states otherwise, and until this Agreement is terminated or amended, the terms and conditions contained in this Agreement

shall control all orders and purchases between Seller and Buyer without regard to what date or over what period of time such orders and purchases are made.

- 21. Termination. This Agreement may be terminated by either party upon 30 days written notice to the other party, as long there are no outstanding purchase orders, invoices, payments or shipments between the parties.
- 22. Counterparts; Electronic Signatures. This agreement may be signed in one or more counterparts, which together will form a single agreement. This agreement may be signed by electronic means.
- 23. Notices. All notices between the parties must be in writing and delivered by courier or by certified mail, return receipt requested, to:

SELLER:
Herbal Ingenuity
151 Herbal Ingenuity Way
Wilkesboro, NC 28697

BUYER:

IN TESTIMONY WHEREOF, the parties hereto have hereunto set their hands and seals.

SELLER:
HERBAL INGENUITY

Date: _____

By: _____(SEAL)

BUYER:

Date: _____

_____(SEAL)