

Terms and Conditions of Credit

This Agreement covers all Terms and Conditions of Credit for an in-house charge account ("Account") issued through San Luis Obispo County Farm Supply Company Inc dba Farm Supply Company hereinafter "FSC." In this agreement the words "you," "your," "yours," and "their" means any account owner, managing member, partner, general partner, corporate officer, guarantor, or authorized user of the Account. The words "we," "our" and "ours" means FSC.

CREDIT APPLICATION

By completing, signing, and submitting a FSC Credit Application ("Application") you indicate understanding and agreement of all Terms and Conditions of Credit and certify that you have the express authority to apply for credit with us on behalf of the Applicant and bind the Applicant to an Agreement with us. This Agreement may be executed by the parties in counterparts including by means of facsimile or electronic signature, and of which need not contain the signature of more than one party and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and all such copies shall be binding and effective as if the original.

If you are not a corporation, then you acknowledges that we are relying upon the credit worthiness and financial ability of the account owner, managing member, partner, general partner or guarantor and authorize us and our assignees to investigate their credit background from any sources including bank and trade references provided on the Application by you, and including, but not limited to, consumer credit reporting agencies and industry trade group associations. You authorize banks and/or other agencies with which you have financial arrangements to release to us financial information to support this Application and any future credit decisions.

You certify that all information now or hereafter supplied to us by you at our request or instruction, is both accurate and complete and you will upon request establish the accuracy and completeness of any such information. You assume responsibility to promptly notify us of any adverse change in such information supplied, and of any change in your residence, primary place of business, legal identity or formation, billing requirements, authorized buyers and contact information. If you send any notice to us that your legal identity or formation has changed in any way, then this agreement is terminated, and you are liable to us for any purchases made until written notification of that change information or ownership is received by us and approved for future credit terms.

Upon credit approval, you understand that an Account will be set up for use at all FSC locations and in addition to this Agreement, is subject to all Terms and Conditions of Sale and Refund Policies which supersedes all prior or current written or oral statements, representations, negotiations, agreements, and understandings regarding the sales of product or extension of credit. We may at any time, and subject to applicable law, change and add to the Terms and Conditions of Credit, Terms and Conditions of Sale and Refund Policies stated herein governing the Account without notification. Unless prohibited by applicable law, we may apply any changed or additional terms to the outstanding balance on the Account on the effective date of such term and to any future balances thereafter.

CONTINUING GUARANTY

In consideration of extension of credit by us to you and/or forbearance from immediate collection of any existing indebtedness of you to us, the Guarantor (herein "Guarantor" whether one or more) hereby unconditionally guarantees, jointly and severally, punctual payment and performance of all your obligations, present and future, to us including all collection cost, court costs and attorney's fees. This Guaranty shall be continuing and unlimited and may be terminated only upon 30 days' written notice to the us. Any cancellation of this Guaranty shall not relieve Guarantor of any obligations of Guarantor hereunder arising prior to the effective date of such cancellation. We may exercise our rights under this Guaranty without first taking any action against you. Guarantor shall be bound hereunder even if you for any reason are not liable in law or equity to pay part or all of your obligations to us (e.g. if you are deemed incompetent, do not have the capacity to create or be bound to pay such obligation, do not legally exist, or do not properly and lawfully authorize the creation of such obligation). Guarantor acknowledges that Guarantor will receive a direct and material benefit from you covered by the terms of this Guaranty. We shall be entitled to enforce the obligations of this Guaranty against the Guarantor without regard to the filing of any bankruptcy or insolvency proceedings by you. Guarantor hereby authorizes Guarantor's creditors and references, including, but not limited to, those listed on the credit application, to release to us whatever information may be contained in their files pertaining to personal and financial dealings with Guarantor, and grant us permission to complete any credit investigation of Guarantor, including but not limited to, reports by a credit reporting agency or entity. Guarantor hereby waives all notices, demands, and presentations relating to any extension of credit or default. No subsequent activities by us or transactions between us other than payment (including, but not limited to, extensions of due dates or release of substitutions or collateral security) shall affect Guarantors obligations under this Guaranty. Post judgement interest shall accrue on all sums due under this Guaranty at the post judgement interest rate applicable to us.

INVOICING

We may rely upon all reasonable representation of persons representing themselves to be your authorized agents with authority to make purchases against the Account unless you have provided us a complete and accurate list of authorized purchasers in writing. We may rely upon all reasonable representation of persons who provide a purchase order or job name either in writing or verbally to be an accurate representation of your billing requirements. Purchases and/or deliveries are authorized to be made without signature. You assume responsibility for notifying us of all billing errors in a timely manner, including, but not limited to, delivery issues, damaged product, incorrect loads, and duplicate billing.

PAYMENT TERMS

You agree to pay all invoices, including sales tax, where applicable, within the terms stated on each invoice and affirm that the terms of all present and future invoices from us are incorporated herein by reference.

The full balance of the current monthly charges is due on the 15th of the month following the invoice (NET 15 MFI). We will send you a statement by your chosen delivery method at the end of each month in which a charge appears. A service charge of 2.00% (24% APR) will be applied on the 16th day of each month to all invoices that are not paid by their due date. A minimum service charge of \$3.00 will be assessed on any past due balance of \$5.00 or more. Invoices and service charges will remain on the monthly statement as open items until paid in full. Any unpaid balance to which a service charge has been added is considered past due and may be subject to delinquency procedures. Past due accounts may be subject to credit holds.

Delinquency procedures may include, but are not limited to, account closure and collection proceedings. We may sell, assign, or transfer any or all of Account or any balances due thereunder without prior notice to you. You may not sell, assign, or transfer your Account or any of your obligations under this Agreement. You assume responsibility to pay all reasonable attorney's fees, collection charges and other expenses in connection with the collection of any funds owed to us. This Agreement is governed by the laws of the State of California, and in all matters related to this Agreement or the commercial relationship between us is irrevocably vested within jurisdiction of the San Luis Obispo County Superior Court.

Payments may be applied to the oldest open items unless a detailed payment remittance is included with the payment. We can accept late or partial payments without waiving any right to full payment of the amount due and owing and without prejudice to our rights under this Agreement. Overpayments will be posted as a credit on the Account and do not accrue interest. Credit balances may be refunded at our discretion. Unauthorized deductions, including service charges and unearned discounts, will not be honored by us. Any such deductions will remain as balance due, will be subject to all service charges and other terms herein, and shall be treated as past due on the Account.

We will not be bound by any terms and conditions set forth on your purchase orders unless previously agreed in writing. No statement or special endorsement on a check or other banking item from you or on a letter accompanying any payment shall be binding upon us. We may, with or without notice to you, negotiate any such check without being bound by the conditions of any such statement or endorsement.

We reserve the right to limit the amount of credit available to you and may increase or decrease this limit at our sole discretion without notice to any person, including you and Guarantor(s). In the event that you make purchases that exceed any previously requested and or approved credit limit, such purchases shall be deemed a request by you to increase the credit limit. You will be deemed to have actual knowledge of such additional credit purchases and you agree to assume full responsibility and to pay additionally any such amounts which exceed the credit limits previously set by us.

DEFAULT

The occurrence of any of the following events shall constitute a default under this Agreement: (1) You fail to perform any obligation or other undertaking required by this Agreement; (2) You or any Guarantor of your obligations under this Agreement dies; dissolves; ceases operations; abandons its business; becomes insolvent; becomes the subject of bankruptcy, receivership, insolvency, or similar proceedings; or makes an assignment for the benefit of its creditors; (3) Any information or representation now or hereafter made or furnished to us by you or at your request or instruction is or is believed in good faith by us to be inaccurate, incomplete, or false in any material respect; and/or (4) Any other event which causes us in good faith to deem itself insecure or to believe that the prospect of performance of any provision of this Agreement by you is impaired. Upon the occurrence of any default, we may: (1) terminate all credit terms, Agreements, accommodations, and conditions hereunder; (2) demand immediate payment; (3) require sales by prompt payment terms such as cash, credit card, cashier check or money order; (4) discontinue delivery and/or drop ship of product; and (5) discontinue your eligibility for discounts.