

Terms and Conditions Contract

This contract for the sale of goods is between Agra Tech, Inc. and The Purchaser. The place of performance for this agreement is Contra Costa County, California.

Important Definitions:

Table 1: Important definitions for the key words used throughout this contract:

<i>Term:</i>	<i>Definition:</i>
ATI	Abbreviation for Agra Tech, Inc.
Goods	Items sold by Agra Tech, Inc.
Purchaser	The person or entity purchasing Goods from Agra Tech, Inc.
Order	The Purchaser's request for Goods.
Load Requirement	Strength requirements for Agra Tech, Inc. structures; wind speed, wind exposure, live load, dead load and snow load.
Order Contracts	A signed price quote, bid proposal, Terms and Conditions Contract, Order to Proceed Contract, and/or any other documents administered by Agra Tech, Inc. and signed by the Purchaser.
Unforeseeable Event	An event beyond the reasonable control of either party, including but not limited to, strikes, fires, floods, wars, accidents, default of a supplier or subcontractor, government regulations, or disruption due to failure of production facilities.

Terms and Conditions of Sale:

Agra Tech, Inc. (ATI) manufactures and sells greenhouse structures and accessories. ATI also sells commercial horticultural and agricultural equipment as a distributor. The Purchaser, person or entity purchasing Goods from ATI, must comply with the terms and conditions outlined in this contract. The terms and conditions in this contract are in addition to any conditions referenced in all other signed contracts between the Purchaser and ATI.

In the exchange of Goods from ATI for payment from the Purchaser, the parties agree as follows:

1. Order Contracts:

This agreement, along with any exhibits, appendices, addenda and amendments hereto encompass the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, employees, engineers, or third parties whether written or oral. The parties hereby acknowledge and represent that said parties have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this agreement.

2. Sale of Goods:

ATI will sell to the Purchaser, and the Purchaser will pay for, the Goods outlined in the signed Order Contracts in the quantities and at the prices stated in those contracts. If the Purchaser requests changes to their order, it must be agreed upon in writing between ATI and the Purchaser before any changes are put into effect. ATI will adjust the contract sum accordingly.

3. Price Quotes and Price Escalator:

Price quotes are valid after authorization by the Purchaser and acceptance by ATI. Price quotes may be updated by ATI to reflect any price changes. Materials and other items by contract or otherwise not delivered within 6 months are subject to price increase as follows: For materials from ATI vendors the price increase will be the amount of the vendor increase after quotation plus the normal margin. Materials include, but are not limited to, all raw materials to produce the finished goods, coverings and fabrics, environmental equipment, hardware and fasteners, electrical components, and doors. Such increased costs to ATI of supplying or producing the goods in the contract may be due to inflationary, seasonal or any other market price increases, all of which are out of the control of ATI. Agra Tech, Inc. will act in good faith in determining escalation price adjustment increases over quotation prices. This price adjustment may also apply to estimated freight charges included in the contract.

4. Payment:

In signing the Order Contracts, the Purchaser agrees to make prompt payment of all invoices in accordance with the terms specified in those contracts. If there are any changes to Orders ATI will adjust the Order Contracts and payment terms accordingly. Unless stated otherwise in the Order Contracts, **the Purchaser will pay in full all federal, state and local taxes in addition to any third-party expenses** imposed on, in connection with, or measured by the transaction contemplated by this agreement. Taxes collected by ATI will be reflected in the contract sum. Partial exemption certificates must be submitted to ATI prior to the date of the Purchaser's first invoice.

ATI RESERVES THE RIGHT TO STOP THE MANUFACTURING AND SHIPMENT OF AN ORDER UNTIL THE PROPER PERMITS HAVE BEEN OBTAINED, even if the Purchaser has already made payment for that order. If ATI determines that there is reasonable insecurity in the ability of the Purchaser to pay their full balance due, or if the Purchaser defaults on their payments, ATI may stop shipments until they receive the required payments. If the Purchaser fails to make their payments to the terms specified in the Order Contracts, a late fee of 1.5% per month will be charged on the Purchaser's past due accounts. The Purchaser agrees to pay all costs associated with the collection of past due balances.

5. Order Cancellation:

The transaction this agreement contemplates is a binding firm Order. If the Purchaser cancels this Order, the Purchaser is responsible for all costs of production, materials, labor, or overhead incurred up until the date ATI receives and acknowledges the Purchaser's written notice requesting Order cancellation.

6. Intended Use:

ATI structures are intended to be operated as environmentally controlled structures designed and constructed for production of plants, or other horticultural/agricultural/hydroponic/aquaponic products. If people will be accessing the structure, it is the Purchaser's responsibility to ensure that the structure is designed to provide maximum safety for the occupants. These structures are not designed for human habitation. **The Purchaser affirms that ATI's Goods will not be used in the production of crops that violate local, state, or federal laws.**

7. Structural Requirements:

The Purchaser is responsible for coordinating with their local building code enforcement agencies to determine the building code requirements for their building site in regard to live load, snow load, wind exposure and rating, and any other code requirements in force at the time of sale.

CODE and NON-CODE STRUCTURES:

ATI'S CODE STRUCTURES are designed to meet the minimum International Building Code (IBC) requirements. **ATI code structures will NOT meet load requirements for all building sites.**

ATI'S NON-CODE STRUCTURES are NOT designed to meet any IBC requirements.

ENGINEERING SERVICES AT ADDITIONAL COST:

Professional Engineering services at additional cost are required if an ATI code structure is to meet specific load requirements. The Purchaser shall pay ATI for engineering services at a mutually agreed rate. If Purchaser elects to decline engineering services, purchaser acknowledges that the structure may not meet load requirements for the intended build site and as a result they risk not obtaining proper governmental permitting and risk failure of the structure. **By purchasing an ATI non-code structure or an ATI code structure WITHOUT ENGINEERING SERVICES, Purchaser does so at their own risk and PURCHASER ACCEPTS FULL LIABILITY FOR ALL DAMAGES AND CONSEQUENTIAL DAMAGES. Furthermore, purchaser holds ATI harmless for any damages, including consequential damages as a result of the omission of professional engineering services.** These damages include, but are not limited to, financial loss from damaged crops, death from structure failure, and/or legal action taken by governing agencies against the Purchaser for nonconformance.

ATI's engineering services do not guarantee the approval of governmental permitting; any changes required by governing bodies for an ATI structure to meet permit requirements will be at the Purchaser's expense. Requests for engineering services not included in ATI's standard engineering package will be at an additional cost to the Purchaser. These include, but are not limited to, plan checks, Load Requirement changes, slab design, and/or additional drawings.

CALIFORNIA SCHOOLS and other State Entities:

ATI does not contract with State entities that employ the Division of State Architect (DSA) for structural and/or fire life & safety review. Purchaser agrees that drawings and/or calculations supplied by ATI or its 3rd party engineer will NOT be submitted for peer review. ATI reserves the right to cancel any California school related Orders at any time in violation of these policies. A violation of these policies requires the Purchaser to pay for all costs of production, materials, labor, and overhead incurred up until the date ATI cancels the order.

OTHER REQUIREMENTS:

If the ATI structure is installed in an area prone to snow, the Purchaser agrees to **MAINTAIN A TEMPERATURE OF 50 DEGREES FAHRENHEIT OR WARMER INSIDE the ATI STRUCTURE** when there is potential for snow. Failure to do so can result in excessive snow accumulation and structural damage. The Purchaser is liable for any expenses incurred from neglecting to maintain this minimum temperature inside their ATI structure.

If the Purchaser uses double-layer polyethylene to cover their ATI structure, **the Purchaser agrees to maintain constant inflation of the double-layer polyethylene cover (24 hours a day, 7 days a week).** The Purchaser is responsible for any damage, direct or consequential, that is a result from the Purchaser's failure to maintain constant inflation of their double-layer polyethylene cover.

Chemicals such as sulfur, chlorine, and those found in herbicides, fertilizers, and other applications, can damage steel, aluminum, coverings, and equipment. The Purchaser agrees to check for compatibility of all chemicals before using them in or around an ATI structure. The Purchaser also accepts responsibility for any damage as a result of chemical use in or around the ATI structure.

8. Delivery; Title; and Risk of Loss:

Unless specified otherwise in the Order Contracts, ATI and its suppliers are responsible for selecting the freight carrier for delivery of the Goods. The title to and risk of loss of Goods will pass to the Purchaser as the Goods leave ATI's or its suppliers' facility. The Purchaser is responsible for receiving, unloading, inventorying, and PROPERLY STORING all of the Goods shipped for their Order. Goods are considered PROPERLY STORED if they are stored IN A DRY COOL PLACE OUT OF DIRECT SUNLIGHT AND HEAT; they must also be protected from damage, weather, misplacement, vandalism, theft and to any storage requirements explained in the shipping documents or as instructed by third party vendors.

DAMAGED SHIPMENTS:

The Purchaser must arrange for all of their shipments to be inspected upon delivery. Any damaged or missing Goods in a shipment must be clearly identified on the bill of lading and the bill of lading must be signed by the delivery person. **ATI and the shipment carrier MUST BE NOTIFIED OF the damaged or missing items for the shipment WITHIN FIVE BUSINESS DAYS OF THE DELIVERY DATE for a claim to qualify for review.** Failure to do so will result in a denied claim making the Purchaser responsible for all expenses related to the replacement of the Goods lost or damaged during the shipment.

RETURNS:

Non-standard Goods manufactured to a Purchaser's or distributor's specifications **are non-refundable.** Return requests for standard Goods must be within 60 days of receipt of shipment to be eligible for return. Credit for returned Goods will only be granted if the Goods are determined by ATI to be in resalable condition and are equipped with a return material authorization number issued by ATI. **Returns are subject to a 20% restocking fee.**

MANUFACTURER ERROR:

The **Purchaser must report manufacturing mistakes** to ATI **within 30 days** of receipt of shipment to be eligible for ATI's review and potential replacement/repair of the materials. Labor or other costs incurred by the Purchaser are not reimbursable by ATI.

DELIVERY SCHEDULE:

Any stated delivery dates are approximate. ATI is not liable for any losses, crop loss or failure, damages, penalties, or expenses for not meeting a delivery date and will not pay any back charges. If the delivery schedule is delayed due to an Unforeseeable Event, the Purchaser agrees to an adjusted delivery schedule that will provide ATI with a reasonable amount of time to fulfill the order. Under no circumstances, including Unforeseeable Events, will a delayed delivery by ATI exclude the Purchaser from making prompt payment for Goods delivered prior to such delay.

9. Erection and Installation of Goods:

The Purchaser is responsible for the erection and installation of their Goods. This includes, but is not limited to, employing a qualified build crew and following all applicable federal, state, and local laws/ordinances during the construction of the Goods. ATI is not liable for any crop loss, damages, penalties, or expenses related to the construction of the Goods and will not pay for any back charges.

10. Limited Warranty:

For a period of one year from the delivered date of Goods, **ATI will repair or replace ATI manufactured Goods if they are determined to be defective.** It will be in ATI's reasonable judgment whether the claim qualifies for warranty. The limited warranty is **contingent on if the Purchaser gives written notice to ATI specifying any defects in detail.** ATI's warranty does not apply to products or materials which, in ATI's reasonable judgment, have been exposed to misuse, abuse, negligent handling, improper installation, or alterations. Unless ATI instructs otherwise in writing, the Purchaser is responsible for any expenses incurred during the storing and protecting of the materials awaiting warranty review. ATI is not responsible for items and components furnished and/or warranted to by others.

11. Limitation of Liability:

In signing the Order Contracts, the Purchaser agrees that ATI's products can be used under a variety of conditions for purposes which are unknown to ATI. It is understood by the Purchaser that ATI's liability is limited to the furnishing of replacement components and that ATI is not responsible for any losses, crop loss or failure, punitive damages (including lost profits), damage or liability, arising out of or relating to this agreement or the transactions it contemplates. This includes, but is not limited to, loss from damaged crops, structure or equipment as a result of negligence to installation or use specifications, structural failure, structural damage from Unforeseeable Events, damage from excessive snow or wind loads, or the failure to maintain a temperature of 50 degrees Fahrenheit or warmer inside the ATI structure in areas prone to snow.

12. Limitation of Actions:

Notwithstanding other applicable law, no action arising out of or relating to this agreement or the transactions it contemplates may be commenced against ATI more than 12 months after the basis for such claim could reasonably have been discovered.

13. Security Interests:

The Purchaser grants ATI a security interest in the Goods sold to the Purchaser under this agreement and any proceeds related to the Order (including accounts receivable), until payment in full for the Goods has been received by ATI. The Purchaser will sign and deliver to ATI any document to perfect this security interest under the California Uniform Commercial Code that ATI reasonably requests.

14. Governing Law and Designation of Forum:

The laws of the State of California govern all matters arising out of or relating to this agreement and the transactions it contemplates, including without limitation its interpretation, construction, validity, performance, and enforcement.

All legal actions, mediations, arbitrations and other proceedings arising out of or relating to this agreement or the transactions it contemplates will be venued in Contra Costa County exclusively.

15. Alternative Dispute Resolution:

If there is a dispute between ATI and the Purchaser regarding any matter in this agreement, including but not limited to disputes about rates, fees, services, or contractual duty, the dispute will be submitted for mediation. If not resolved by mediation, the dispute will be submitted for arbitration by a single neutral arbitrator; ATI and the Purchaser will be bound by the result. Mediation or arbitration will take place in Contra Costa County, California.

The Purchaser understands and acknowledges that, by agreeing to binding arbitration, the Purchaser waives the right to submit the dispute for determination by a court and thereby waives the right to a jury trial. The grounds for appeal of an arbitration award are limited compared to a court judgment or jury verdict.

16. Recovery of Expenses:

In any adversarial proceedings between the parties arising out of this agreement or the transactions it contemplates, ATI and the Purchaser are responsible for their own individual attorney fees and costs. The costs of mediation or arbitration will be equally shared between the parties.

17. Entire Agreement:

This agreement and the Order Contracts involved with the Order, constitute the entire final and total agreement between the parties and supersede all previous drafts, agreements, arrangements and understandings between them, whether written or verbal, relating to this subject matter. If any section of this contract is voided, the remaining sections will remain valid.

18. Amendments:

No amendment to this agreement will be effective unless it is in writing and signed by both parties.

19. Effectiveness; Date:

This agreement will become effective when the Purchaser signs it, ATI accepts it and the down payments have been received. The date this agreement is accepted by ATI will be deemed the date of this agreement.

20. 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 electronically.

21. Notice:

Under the mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person who helps improve your property but is not paid for their work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid.