

General Terms and Conditions

In the terms and conditions below, Harmony Foods Corporation (dba Santa Cruz Nutritionals) shall be referred to as "SCN." The company supplying goods and/or services under this purchase order (the "Purchase Order") shall be referred to as the "Seller," and the goods and/or services described in and provided pursuant to this Purchase Order are referred to as "Goods" or "Services," as the case may be.

1. ACKNOWLEDGEMENT AND ACCEPTANCE

This purchase order is expressly limited to and is expressly made conditional on Seller's acceptance of the terms and conditions stated herein. **To the extent that any project description document, attached hereto, if any ("Project Description"), credit application, quotation, order acceptance, confirmation, invoice or other document of Seller contains conflicting, differing or additional terms from the terms and conditions herein, the terms and conditions herein will control and all such conflicting, differing or additional terms are rejected by SCN, are considered a material alteration hereof, and shall have no effect unless expressly agreed to in writing by SCN.** Seller's signed acknowledgement of the Purchase Order, or Seller's shipment of Goods, performance of Services, or acceptance of payment for Goods or Services shall conclusively affirm Seller's agreement to these terms and conditions. If this Purchase Order is not acknowledged by signing and returning to SCN by email to originating purchasing agent's email address, SCN, at its option, may cancel this Purchase Order at any time.

2. PRICING

The pricing provided in this Purchase Order is available as quoted to SCN. Seller shall notify SCN 30 days prior to requested adjustments to quoted pricing, subject to written approval of SCN.

3. FOB; DAMAGE DURING DELIVERY

SCN freight terms are FOB Delivered to the SCN plant located at 2200 Delaware Avenue, Santa Cruz, CA 95060, unless otherwise specified on the Purchase Order. The risk of loss or damage shall remain with Seller until actual delivery to SCN. Seller shall be responsible for damages sustained during delivery. Any resulting claims against carriers shall be the responsibility of Seller. Replacement of any damaged Goods shall be the sole responsibility of Seller.

4. PAYMENT TERMS

SCN payment terms are 2% 10 / Net 60, unless otherwise indicated in this Purchase Order, SCN shall render payment per the term of the date of delivery and acceptance of Goods or provision of Services, or from the date of a conforming invoice, whichever is later. All invoices for payment shall be in U.S. Dollars and shall include the Purchase Order number, quantity, a summary of the total Purchase Order value, total value of Goods provided, or Services performed to date of the invoice, total value of invoicing to date and value of the current invoice. Invoices for payment not including such information may be returned to Seller without payment.

5. PACKAGING

All packages, cases, crates, etc., are to be marked with Seller's name and the applicable SCN Purchase Order number. A packing list must accompany each shipment of Goods. SCN shall not be responsible or liable for any packaging charges, unless otherwise agreed to herein by SCN. COA or COC should be included with each load.

DELIVERY
The delivery and performance requirements, manner of delivery and specified dates of this Purchase Order shall be strictly adhered to and shall not be modified without the prior written acceptance of SCN. Time is of the essence. In the event of failure to deliver or perform by the dates specified in this Purchase Order, SCN reserves the right to immediately cancel such Purchase Order in total or any unexecuted part of such Purchase Order at cost to Seller. Goods not shipped in time to meet the delivery requirements and dates under a Purchase Order, at SCN's option, shall be delivered at the fastest means available, at the sole expense of Seller. Notwithstanding anything to the contrary herein, no delivery shall be made without at least twenty-four (24) hours advance notice being given by Seller to SCN. Receiving appointments must be scheduled ahead of time with SCN for any inbound deliveries. If Company truck arrives to Santa Cruz warehouse more than an hour late (or without an appointment), Company will no longer have priority in the warehouse shipping queue and will become a work-in.

6. DELAY IN SUPPLY

In the event of failure by Seller to deliver any Goods or perform any Services contained in this Purchase Order, other than as a result of acts of God, force majeure, civil commotions, fire, war, perils of the sea, delay in transit, or SCN's written request, SCN shall have the right to cancel all or any remaining part of this Purchase Order, without payment of compensation to Seller, and obtain delivery or performance from other sources. Any and all increased costs and expenses thereby incurred by SCN in obtaining such delivery or performance shall be off set against any moneys due or to become due to Seller or shall be recoverable as damages hereunder.

7. CHANGES

Except as otherwise provided herein, this Purchase Order may not be amended, modified, supplemented, cancelled or discharged, except in writing signed by SCN and Seller. Except as modified herein, any modification of any Project Description shall be at Seller's sole cost and expense, unless Seller notifies SCN of such modification and SCN approves such modification in writing.

8. INDEMNITY

Seller shall protect, indemnify and hold harmless SCN, its successors, assigns, affiliates, employees, agents, customers and users of its products and services (collectively, the "Affiliates"), of and from any claim, loss, damage (whether for personal injury, property damage, or direct or consequential damage or economic loss), deficiency, action, demand, judgment, cost or expense (including, without limitation, reasonable attorneys' fees) arising out of or resulting from the Goods sold or Services rendered hereunder, or from any act or omission of Seller, its agents, employees or subcontractors, or which otherwise arises as a result of (i) Seller's performance of its obligations hereunder or (ii) any violation or infringement by Goods or Services provided hereunder of any patent, copyright, trademark, trade dress, and trade secret, or any other contractual right, proprietary right or intellectual property right, of any third party (collectively, any "Claim"). If any Claim should be asserted or action commenced against SCN for which SCN is entitled to indemnification hereunder, Seller (a) shall, upon SCN's demand, promptly undertake the defense of any Claim, employing counsel reasonably satisfactory to SCN or (b) agrees that SCN, at SCN's sole discretion, may elect to defend any Claim on its own behalf. In either case, Seller will, upon demand, pay all reasonable attorneys' fees and other costs or expenses incurred by SCN in connection with such defense, any judgment or award resulting from any such claim or action and any settlement paid by SCN with Seller's consent, which shall not be withheld unreasonably. This indemnification shall survive delivery of the Goods to or performance of the Services for SCN, as the case may be, and any subsequent sale or other transfer of the Goods or Services to a third party. SCN's remedies hereunder are cumulative and in addition to those provided by law or any other contract.

9. QUALITY REQUIREMENTS FOR GOODS

Seller shall provide and maintain an inspection system, including tests and test reports, acceptable to SCN in its reasonable discretion covering the inspection of Goods provided under this Purchase Order, and Seller shall tender to SCN for acceptance only such Goods that have been inspected in accordance with such inspection system and that have been determined by Seller to conform to the Purchase Order requirements. However, all Goods provided under this

Purchase Order are subject to final inspection and acceptance within a reasonable time after actual delivery and SCN shall have the right to reject any defective or nonconforming Goods despite any prior inspection by Seller. Payment for any Goods shall not be deemed an acceptance thereof.

10. QUALITY REQUIREMENTS FOR SERVICES

Seller shall provide and maintain a system of inspection and oversight acceptable to SCN in its reasonable discretion to ensure all Services provided under this Purchase Order will be diligently performed in accordance with the Project Description, if applicable, and the applicable industry practices and standards of diligence, care and skill currently recognized in Seller's industry. The adequacy of the performance of the Services provided under this Purchase Order are subject to final inspection within a reasonable time after actual performance and SCN shall have the right to terminate any Purchase Order that fails to meet the oversight requirements and minimum quality standards provided in this Paragraph 10.

11. RETURN OF DEFECTIVE GOODS

All Goods supplied under this Purchase Order that do not meet with the approval of SCN, that are shipped contrary to Purchase Order instructions, or that are in excess of the quantity or quantities ordered under this Purchase Order, will be returned to Seller or held pending a mutual agreement between SCN and Seller regarding their disposition, subject to Seller's risk of loss and sole expense.

12. EXECUTION OF PURCHASE ORDER

Only Purchase Orders sent in writing via fax, mail, courier or e-mail and signed by duly authorized SCN personnel shall serve as an official intent of purchase by SCN.

13. CHEMICALS & HAZARDOUS SUBSTANCES

All Material Safety Data Sheets required by applicable law (MSDS) (each, a "Data Sheet"), shall accompany all Goods (including, without limitation, any chemicals or hazardous substances) provided under this Purchase Order. In addition, Seller shall provide a copy of each such Data Sheet to SCN's Material Services Department. Seller shall maintain a catalog of any and all applicable Data Sheets that are provided in connection with Seller's performance of work under this Purchase Order at a SCN site.

14. COMPLIANCE WITH LAWS

Seller agrees to comply with all federal, state and local laws, rules and regulations, including, but not limited to, Executive Order 11246, the Equal Employment Opportunity Act and any amendments thereto, pertaining to nondiscrimination in employment, the Occupational Safety and Health Act of 1970, the Fair Labor Standards Act, Transparency Act, any laws, regulations and executive orders related thereto, and any other applicable federal, state or local law or regulation. Seller shall, in accordance with Paragraph 8, indemnify and hold SCN harmless against any liability arising out of or resulting from Seller's failure to so comply. Upon request, Seller shall supply SCN with copies of compliance reports and any other information necessary to demonstrate compliance with this Paragraph 14.

15. WARRANTY

Seller warrants it is a merchant as defined in the Uniform Commercial Code. Seller warrants that all Goods delivered hereunder, if any, will (i) be merchantable, (ii) be free from defect of design, material or workmanship, (iii) conform strictly to the specifications, descriptions, drawings, or sample specified or furnished to SCN, (iv) be free from security interests, liens or encumbrances, (v) be fit and safe for their intended purpose, and (vi) be safe and appropriate for the purpose for which such Goods or Services are normally used. Seller warrants that all Services rendered hereunder, if any, will be performed in a professional and workmanlike manner in accordance with the applicable professional industry standards of diligence, care and skill currently recognized in Seller's industry. The warranties contained herein shall begin at the time of performance, receipt at the delivery location or installation, if applicable, whichever is later, unless a later time is specified in the manufacturer policy stated in the Project Description. Such warranties shall survive for greater of (a) one (1) year, (b) the standard warranty term provided by Seller to its customers, or (c) as provided under applicable law. Notwithstanding anything to the contrary contained herein, the foregoing shall not limit any additional warranty or warranty period otherwise agreed to by the parties in writing. The warranties contained herein shall survive any inspection, delivery, performance, acceptance, or payment by SCN of the Goods or Services. SCN may, at its option, return for credit or require prompt replacement or correction of any of the Goods or Services which do not conform to the foregoing warranties at Seller's expense. In the event that Seller fails to make such replacement or correction, SCN shall have the right to obtain such replacement or correction from other sources. Any and all increased costs and expenses thereby incurred by SCN in obtaining such replacement or correction shall be off set against any moneys due or to become due to Seller or shall be recoverable as damages hereunder. Corrected or replaced Goods or Services shall be subject to the terms and conditions of this Purchase Order in the same manner and to the same extent as Goods or Services originally delivered hereunder. If part of the Goods to be delivered or Services to be performed hereunder are defective or nonconforming, SCN may cancel any unshipped portion of the Goods or cancel any unperformed Services, as the case may be, covered by the Purchase Order. The rights of SCN provided in this Paragraph 15 shall be in addition to any other rights provided by law, this Purchase Order, or any other contract.

16. INDEPENDENT STATUS

Seller acknowledges that it is an independent business acting as an independent contractor. Though Seller may perform Services, no agent, representative or employee of Seller shall be or be considered an agent or employee of SCN.

17. BANKRUPTCY

In the event of any proceedings, voluntary or involuntary, in bankruptcy by or against Seller, the inability of Seller to meet its debts as they become due, or in the event of the appointment, with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then SCN shall be entitled, at its sole option, to cancel any unfulfilled part of this Purchase Order without any liability whatsoever.

18. ASSIGNMENT

Seller shall not delegate any duties, nor assign any rights or claims under this Purchase Order, or for the breach hereof, without the prior written consent of SCN. Any such attempted delegation or assignment shall be void. Any change of control of Seller shall be deemed an assignment hereunder.

19. SET-OFF AND COUNTERCLAIMS

All claims for moneys due or to become due from SCN shall be subject to deduction by SCN for any setoff or counterclaim arising out of this or any other of SCN's purchases from Seller.

20. TERMINATION

This Purchase Order, or any portion hereof, may be terminated by SCN at any time with or without cause. As used herein, the term "cause" shall include, but not be limited to, (a) a breach by Seller of any of the terms hereof, including any warranty made in connection with the purchase ordered hereunder or (b) any allegation that any of the Goods or Services furnished hereunder infringes any patent, trademark, copyright or other proprietary right of any third party, or violates any statute, ordinance or administrative order, rule or regulation. If SCN terminates without cause, SCN will compensate Seller for the actual and reasonable expenses incurred by Seller for work in process requested by SCN up to and including the date of termination, provided such expenses do not exceed the agreed upon prices in this Purchase Order.

21. TAXES

Seller is responsible for payment to the proper taxing authority of all sales, use and similar taxes.

22. CONFIDENTIALITY

Seller will neither use any Confidential Information (as defined below) for any purpose other than in performing its duties hereunder nor disclose the existence of this Purchase Order or any information contained herein without the express written consent of SCN. "Confidential Information" includes, but is not limited to, all designs, articles and other proprietary information developed by SCN, supplied to SCN or made according to SCN's direction. Seller acknowledges that the remedy at law for any breach or threatened breach of this Section 22 will be inadequate, and that accordingly, in addition to all other available remedies, SCN shall be entitled to injunctive relief. Nothing contained herein shall be construed as prohibiting SCN from pursuing any other remedies for such breach or threatened breach. Further, in any litigation arising out of or relating to breach under this Section 22, SCN shall be entitled to an award of reasonable attorney's fees and court costs incurred.

23. LIMITATION OF LIABILITY

To the extent permitted by law, in no event will SCN (including any subsidiaries of SCN or other related entities) be liable for any lost revenues, lost profits, incidental, indirect, consequential, special or punitive damages relating to this Purchase Order.

24. INSURANCE

Seller shall maintain in effect, at its expense, insurance of such types and in such amounts as is commercially reasonable in connection with the conduct of its business, including, without limitation, insurance coverage for its liability and indemnity obligations hereunder.

25. SEVERABILITY

If any provision of this Purchase Order shall under any circumstances be deemed invalid or inoperative, this Purchase Order shall be construed with the invalid or inoperative provision deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

26. NONWAIVER

SCN's failure to enforce any provisions of this Purchase Order or rights hereunder shall not operate as a waiver of such provisions or rights and the same shall remain in full force and effect for the duration of this Purchase Order.

27. GOVERNING LAW

This Purchase Order and the acceptance of it shall be a contract made in the State of California and governed by the laws thereof, without giving effect to conflicts of law principles, and the United Nations Convention on Contracts for the International Sale of Goods shall not apply to such contract.

28. MISCELLANEOUS

If any provisions herein shall be held to be unlawful or unenforceable, the remaining portions shall remain in full force and effect. No other agreement or understanding shall modify these provisions in any way or shall be binding unless contained in a writing signed by SCN authorized representative.

By executing these Terms and Conditions, Supplier acknowledges and accepts the terms and conditions contained herein as incorporated into the Agreement as stated above.

Supplier

Name of Supplier: _____

Signature: _____

Print Name: _____

Date: _____