

HEMP PROCESSING SOLUTIONS, LLC TERMS AND CONDITIONS OF SALE

1. Governing Terms. These Terms and Conditions of Sale (“Terms”) apply to and govern the sale by Hemp Processing Solutions, LLC (“HPS”) of all products (“Products”) that HPS agrees to sell to Buyer and the performance by HPS of all services (“Services”) that HPS agrees to furnish to Buyer, except as otherwise stated in HPS’s Proposal or Sales Order or as otherwise agreed in a written agreement signed by HPS. HPS offers to sell Products and/or Services solely pursuant to these Terms and any acceptance is expressly limited to these Terms. Any additional or different terms proposed by Buyer in any offer, acceptance, confirmation or other document are rejected by HPS and do not bind the parties.

2. Prices. The prices for Products and Services are those contained in HPS’s Proposal or Sales Order or, if there is no Proposal or Sales Order, in HPS’s price list. If the price of fuel, materials or other production items increase, HPS may impose a surcharge for affected Products and Services. Unless the parties otherwise agree in writing, the prices for the Products and Services do not include any taxes, customs duties, brokerage fees, or costs of freight, shipping, packaging, labeling, storage or insurance, which will be paid by Buyer in addition to the prices for Products and Services.

3. Payment. All payments for Products and Services are payable on the terms stated in HPS’s Proposal or Sales Order. If a Proposal or Sales Order does not specify payment terms, all payments for Products and Services are due upon receipt of invoice, unless otherwise agreed in writing by HPS. At the request of HPS, Buyer will provide financial information for HPS to assess the credit risk of Buyer. HPS, at any time, may change or withdraw Buyer’s credit or impose security or other arrangements to secure Buyer’s payment. All amounts past due will incur a late charge of 1.5% per month. To secure payment by Buyer, Buyer grants HPS a first priority security interest in all Products sold to Buyer until the date the invoiced amount for such Products has been paid. And, until such time as Buyer has made payment, in full to HPS, of all amounts owed, including late fee and other charges of HPS, HPS may retake from Buyer possession of Product(s), wherever located, by legal process or self-help; and Buyer agrees to provide to HPS access to and possession of the Product(s) in the event HPS determines it must retake possession of the Product(s). The remedies of HPS provided herein are not exclusive and HPS may, in addition to taking repossession of the Product(s) avail itself to all other rights and remedies, at law and in equity.

4. Title; Delivery. Unless otherwise agreed in a written agreement signed by HPS, all Products are sold FOB, Freight Collect, at HPS’s facility. Title to, and risk of loss of, Products will pass to HPS upon delivery to the carrier at HPS’s facility. HPS will use commercially reasonable efforts to deliver Products or Services on or before the scheduled shipping/delivery date thereof.

5. Inspection. Buyer will have three days after Buyer’s receipt of Products or Services to inspect the Products or Services. Buyer will be deemed to have accepted the Products or Services unless Buyer notifies HPS in writing of any defect within such three-day period.

6. Cancellation. Buyer may not cancel or change an order for Products or Services, except upon the written consent of HPS. If Buyer cancels or changes an order for Products or Services, Buyer will reimburse HPS for all work-in-process, materials, subcontractor costs, vendor costs, internal labor costs, and any other costs of HPS associated with the cancelled or changed order, and will be liable to HPS for lost profits and any other consequential and other damages incurred by HPS as a result of such cancellation or change.

7. Breach. Any one of the following acts by Buyer will be a material breach of these Terms by Buyer: (a) Buyer fails to pay for any Products or Services when due; (b) Buyer fails to accept conforming Products or Services; (c) the filing of a voluntary or involuntary petition in bankruptcy against Buyer, Buyer’s insolvency, or an assignment for the benefit of creditors of Buyer; or (d) Buyer’s failure to

provide adequate assurance of performance within ten (10) days after a justified demand by HPS. In the event of a breach, HPS, in addition to all other rights or remedies hereunder or at law or in equity and without liability to Buyer, may terminate its obligations by written notice to Buyer. Buyer will pay all costs, including reasonable attorneys’ fees, incurred by HPS as a result of Buyer’s breach.

8. Limited Warranty. HPS warrants its Products as described in this section.

HPS warrants, for a period of 1 year from the date of delivery to Buyer (the “Warranty Period”) that the new goods delivered here under are free from defects in material and workmanship under normal conditions of use and service. HPS’s sole obligation under this warranty shall be, at its option, to either repair or replace the nonconforming good without cost to Buyer. HPS shall not be obligated to repair or replace any goods unless Buyer notifies HPS of the defect during the Warranty Period or if the goods or any part thereof have been misused, abused or damaged (including damages by accident, fire, or other casualty), used or installed contrary to HPS’s instructions or modified or repaired without HPS’s authorization. Repair or replacement pursuant to this warranty shall not renew or extend the Warranty Period, but any repaired or replaced goods shall be warranted for the balance of the original Warranty Period or 30 days, whichever is longer. Repair or replacement on the terms provided above shall be Buyer’s sole remedy for any nonconforming goods delivered hereunder. In no case, shall HPS be responsible for, nor shall Buyer make any claim against HPS for, any incidental, special or consequential damages or for any loss or relief not expressly provided for herein. All used, refurbished, reconditioned, or rebuilt goods has no warranty unless otherwise stated on invoice.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY CONSTITUTES HPS’S SOLE LIABILITY AND OBLIGATION, AND BUYER’S SOLE REMEDY, FOR ANY BREACH OF WARRANTY OR OTHER NONCONFORMITY OF PRODUCTS. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES. HPS MAKES NO OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, OR THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. HPS DOES NOT EXTEND THIS WARRANTY, AND BUYER MAY NOT TRANSFER IT, TO ANY THIRD PARTY.

For all services of HPS provided to Buyer in conjunction with the Products and Services, no covered by the foregoing warranty, HPS will charge Buyer in accordance with the Rates and Fees provided with these Terms.

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9. Limitation of Liability. HPS WILL IN NO EVENT BE LIABLE TO BUYER OR ANY THIRD PARTY FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, WHETHER IN AN ACTION BASED ON CONTRACT, TORT OR OTHER LEGAL THEORY, ARISING FROM OR RELATED TO THE TRANSACTIONS CONTEMPLATED HEREUNDER, EVEN IF HPS KNEW OR SHOULD HAVE KNOWN OF THE LIKELIHOOD OF SUCH DAMAGES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT WILL HPS'S TOTAL LIABILITY ARISING FROM OR RELATED TO THE TRANSACTIONS HEREUNDER (INCLUDING ANY WARRANTY CLAIMS), WHETHER BASED ON CONTRACT, TORT OR OTHER LEGAL THEORY, EXCEED THE TOTAL AMOUNT BUYER PAID TO HPS FOR THE PRODUCTS OR SERVICES GIVING RISE TO SUCH LIABILITY. THE EXISTENCE OF MULTIPLE CLAIMS WILL NOT ENLARGE THIS LIMIT.

10. Acknowledgment. Buyer acknowledges that HPS has set its prices and fees, and has agreed to sell Products and Services to Buyer, in reliance on the limitations of liability, disclaimer of warranties and exclusive remedies set forth in these Terms, and that such provisions form an essential basis of the bargain between the parties, without which HPS would not have agreed to sell Products and Services to Buyer.

11. Indemnity. Buyer will defend, indemnify and hold harmless Seller and its agents, officers, directors and employees from and against any losses, damages, claims, liabilities and expenses, including attorneys' fees, arising from or related to Buyer's or Buyer's customers' purchase or use of Products or Services, except in the event such losses, damages, claims, liabilities or expenses are caused solely by a breach of HPS's warranty under Section 8 above, in which case HPS's liability, if any, will be only to Buyer and will be limited as set forth in Section 9.

12. Software. To the extent any Products or Services contain any software, the following terms apply: (a) HPS or HPS's licensor retains full ownership, including all patents, copyrights, trade secrets, trademarks and other intellectual property rights, in such software; (b) HPS grants to Buyer a non-exclusive, nontransferable, non-sub licensable, limited license to (i) use internally such software solely in connection with a Product, and (ii) distribute such software that is embedded in a Product (in machine code only) solely as programmed in the Product. Buyer will not engage in unauthorized use or disclosure of software, including any reverse engineering, disassembling, de-compiling, copying, modifying, selling or otherwise exploiting the software.

13. Intellectual Property. All products, designs, devices, software, firmware, documents, data, processes, methods and other items that are designed, developed or produced by HPS in connection with any Products or Services are the sole property of HPS and are not "works made for hire" or "commissioned works." HPS retains all patents, copyrights, trade secrets and other intellectual property rights with respect to any design, process, manufacturing and other technologies used in or resulting from the development or production of Products or Services. Neither Buyer nor any third party will have any right or license in or to any

patent, copyright, trade secret or other intellectual property right not expressly granted by these Terms. Any advertisements of Buyer depicting any HPS products must be previously approved, in writing, by HPS.

14. Confidential Information. All information Buyer obtains from HPS that Buyer knows or should know is confidential to HPS, including pricing and trade secret information, will remain HPS's confidential information. Buyer may not disclose such information to any third party.

15. Legal Compliance. Buyer will comply with all applicable laws, regulations and administrative rules governing the purchase and sale of Products, including export and import laws.

16. Assignment. Buyer may not assign any of its rights or delegate any of its obligations under these Terms, whether voluntarily, by operation of law or otherwise, without HPS's prior written consent, and any purported assignment or delegation without consent will be null and void. In the event Buyer is a corporation or other legal entity, a prohibited assignment will be deemed to have occurred upon the transfer of a majority of shares or other ownership interests in Buyer, whether such transfer takes place in one transfer or successive transfers over time. HPS may assign its rights and/or delegate its obligations under these Terms upon written notice to Buyer. Subject to the foregoing, these Terms will bind each party and its respective successors and permitted assigns.

17. Force Majeure. HPS will not be liable for any delay or failure by HPS to furnish Products or Services due to causes beyond its control, such as acts of God, fires, epidemics, floods, riots, wars, terrorism, labor disputes, governmental actions or the inability to obtain sufficient materials, labor, components, energy, services, facilities or transportation on commercially reasonable terms.

18. Waiver. HPS's waiver of any right it may have or any default by Buyer will not be a continuing waiver of such right or default or a waiver of any other right HPS may have under these Terms. No waiver by HPS will be effective except pursuant to a writing signed by HPS.

19. Governing Law; Venue. The laws of South Dakota will govern the validity, performance and construction of these Terms and any disputes arising from or relating to these Terms or the transactions contemplated hereunder. All disputes will be subject to the exclusive jurisdiction of the state or federal courts in Lincoln County, South Dakota, and Buyer consents to the personal and exclusive jurisdiction and venue of these courts.

20. Entire Agreement; Amendment. These Terms constitute the entire agreement between Buyer and HPS with regard to the Products or Services and expressly supersede and replace any prior or contemporaneous agreements relating thereto. These Terms may not be superseded, cancelled or amended except in a writing signed by each party. No other act, course of dealing, course of performance or usage of trade will supersede, cancel, modify or amend these Terms. If any provision of these Terms is determined to be invalid or unenforceable, such provision will be enforced to the extent possible and the remaining provisions will remain in full force and effect.

RATES AND FEES

RATE SCHEDULE – ON SITE:

\$140.00 per hour for regular eight (8) hour workday Monday – Friday (except Holidays)
\$210.00 per hour on Saturdays and hours in excess of eight (8) hours weekdays
\$280.00 per hour on Sunday and Holiday/Holiday weekends

RATE SCHEDULE – TRAVEL TIME:

Monday- Friday will be charged at \$95.00 per hour for the first eight (8) hours
Saturday and time in excess of eight (8) hours daily will be charged at \$142.50 per hour
Sunday or Holiday/Holiday weekends will be charged at \$190.00 per hour

LAYOVER CHARGES / WEEKEND STAY:

A minimum service charge for eight (8) hours per day plus expenses will apply for the time HPS personnel must remain at the job site but are unable to work because of plant production, work schedules, weekend stay, or other circumstances beyond the control of HPS personnel.

AIR TRAVEL AND LOCAL EXPENSES:

Air travel, lodging, and incidental expenses will be charged at cost. A per diem meal and incidental expense of \$55.00 shall be charged per day for services in the United States and Canada.

AUTOMOBILE EXPENSES:

Automobile expenses will be charged at the current U.S. IRS Standard Mileage Rate per mile when personal or HPS-owned vehicles are used. Rental car, parking, and related expenses will be billed at cost.

EXTENDED SERVICE PERIODS:

HPS personnel are entitled to spend every second weekend at home on domestic trips. Personnel are also entitled to spend such holidays at home as determined by HPS. Buyer shall pay the traveling expenses and traveling time related to HPS personnel travel for weekends or holidays at home are herein provided.

CANCELLATION CHARGES/RATE CHANGES:

If a trip is canceled or postponed two (2) work days or less before the scheduled date, a minimum cancellation fee of four (4) hours at the regular rate will be charged. In addition, all costs associated with canceling the trip will be invoiced at cost. This would include the price of non-refundable airline tickets, cancellation fees from airlines, hotels and car rental agencies. Rates quoted herein are subject to adjustment without notice to conform to Seller's published rates in effect at the time service is performed.