

SALES TERMS AND CONDITIONS

These Terms of Sale shall apply to any sale of any product by Dairy Products, Inc. (“DPI”) to the customer (“Buyer”) identified on a Sales Order (“SO”).

1. Agreement. The SO, together with these terms and conditions and any attachments, specifications, or other information (collectively, the “Agreement”), constitutes the entire agreement between DPI and Buyer. DPI has submitted the Agreement conditioned on Buyer’s agreement that any terms different from or in addition to the Agreement, however communicated, shall not be part of the Agreement. Buyer’s acceptance, acknowledgment of the SO, or continuance with the order process constitutes Buyer’s acceptance of this Agreement.

2. Specifications. DPI shall supply the Products according to ADPI, USDA and FDA specifications. DPI does not warrant that the products it sells will comply with any specifications that are not expressly agreed upon and acknowledged by DPI in writing. DPI further states that it has not made any determination as to whether DPI complies with all statutes, regulations, Executive Orders or obligations related to government contracts. DPI does not provide any express or implied warranties for any products other than express warranties that are expressly stated in a writing signed by DPI.

3. Termination. DPI may terminate its relationship with Buyer with or without cause at any time. Upon acceptance of the SO Buyer shall not have any right to terminate the applicable order(s).

4. Inspection of Products. Acceptance by Buyer of the Products supplied shall occur upon receipt. Buyer must immediately notify DPI of any damage, defect, non-conformance or shortage it detects upon receipt of the Products.

5. Invoicing and Payment. DPI will invoice Buyer for all Products delivered. Payment shall be made within the number of days set forth on the SO. All past due balances will be charged a fee of 1.5% on the 31st day following invoice and monthly thereafter, until paid in full. In addition, late accounts shall accrue interest at 1.5% per month, 18% per annum, or the highest rate permitted by Minnesota law.

6. Breach; Remedies. If Buyer defaults in its obligations hereunder DPI may pursue any remedies available by law. Buyer agrees to pay all costs of collection with respect to the SO for any late payments, including attorneys’ fees incurred by DPI. DPI will not be liable for incidental or consequential damages in connection with the SO.

7. Governing Law; Venue. This Agreement shall be governed in all respects by the laws of the State of Minnesota. Buyer agrees to be subject to personal jurisdiction in Minnesota and agrees that the exclusive venue for all disputes arising with respect to this Agreement shall be the federal or state courts located in Minnesota.

8. Force Majeure. DPI shall not be liable for failure or delay in performance caused by war, riots, insurrections, laws, proclamations, regulations, strikes, floods, fires, explosions, terrorism, acts of any government body, animal disease, shortage of milk, or other disturbances beyond the control or without the fault of DPI.