

**HEARTLAND DISTRIBUTION LLC – CREDIT TERMS AND CONDITIONS**

**1. PURCHASES ON CREDIT**

- 1.1. When the Customer(s) (or another person on behalf of the Customer) (hereinafter “Customer”) purchases feed, grain, or other products (hereinafter “Products”) from Heartland Distribution LLC (hereinafter “Heartland”), on credit, these Terms and Conditions of this Credit Agreement shall apply to all such purchases and all invoices for such purchases.
- 1.2. Heartland shall apply payment received from the Customer against any unpaid interest and then against any unpaid amount of invoice in order of their invoice dates (oldest first). In addition to any other rights now or hereafter granted under applicable law, Heartland may, without notice, set off and apply any and all monies, and any and all other indebtedness at any time held by Heartland to or for the Customer’s credit or account, against or on account of any indebtedness owed by the Customer to Heartland or any of the Customer’s other obligations and liability to Heartland, howsoever arising. The Customer may pay its account balance or a portion of it, at any time prior to its due date without penalty. The Customer further agrees that Heartland can accept late or partial payments, as well as payments marked “paid in full” or with other restrictive endorsements, without losing any of its rights under this agreement.
- 1.3. Heartland may suspend the Customer’s account or refuse to authorize any transaction in its sole discretion and specifically in the event that any balance is past due. Heartland may, at any time, demand payment of all or part of the unpaid balance of the Customer’s account.
- 1.4. Heartland, may, without notice, suspend or change the credit privileges granted to the Customer or sell or assign all or part of the Customer’s account. Heartland may by 30 days’ written notice to the Customer, change the rate of interest, the method of calculation of interest, or any other term or condition of this Credit Agreement.

- 2. RECEIPT OF PRODUCTS.** Receipt of delivery of Products shall be valid whether the receipt is signed by the Customer or by an adult person at the address of the Customer shown on the Credit Application or at another address as may have been notified by the Customer to Heartland.

**3. EVENTS OF DEFAULT**

- 3.1. The Customer acknowledges and agrees that the occurrence of any of the following events shall be default under this agreement which will entitle Heartland to proceed to realize on its assets hereby provided:
  - a) the balance on the facility or any part thereof is not paid when due;
  - b) there is a breach of any terms of this agreement, or if any representation now or hereafter given by the Customer to Heartland is untrue or misleading;
  - c) an assignment made by the customer for the benefit of creditors, bankruptcy is declared, or a proposal or application is made with respect to the Bankruptcy Code (USA) or similar legislation in any jurisdiction;
  - d) the business ceases to operate, or threatens to cease to operate, or a resolution or formal resolution for winding up the business is initiated;
  - e) death of the Customer or the incapacity of the Customer to manage the business;
  - f) a receiver, trustee, or receiver manager is appointed with respect to their property or business;
  - g) Heartland believes, and has commercially reasonable grounds to believe, that the prospect of payment of the debt, or any part thereof is impaired.

- 4. JOINT LIABILITY.** If the Customer is more than one person, or if the customer is a corporation or partnership, all principals, shareholders, directors, partners and/or each of such customers, shall be jointly and severally liable to Heartland for all present and future liabilities and obligations of the Customer to Heartland.

- 5. NOTICES.** Every invoice, statement of account, demand, notice or other communication may be delivered or mailed by Heartland to the Customer at the address of the Customer shown on the Credit Application or at another address as may have been notified in writing by the Customer to Heartland. If any such communication is sent by mail, it shall be deemed to have been received by the Customer on the 5th day after the date of mailing.

- 6. CHANGE IN CONDITION.** The Customer agrees to notify Heartland immediately of any change in the Customer’s name, and transfer of the Customer’s assets or any other change in the Customer’s assets, business or financial condition that does or may adversely affect the Customer’s ability to pay or perform any present or future liabilities and obligations of the Customer to Heartland.

**7. GENERAL PROVISIONS.**

- 7.1. **DEFINITIONS:** All capitalized terms shall have the meaning given to them in the Credit Application, the Credit Agreement or these Terms and Conditions. The term “person” shall mean an individual, firm, partnership, corporation, agency, organization or government entity in every case.
- 7.2. **BINDING EFFECT:** This Credit Agreement shall be binding on the Customer and the Customer’s heir, executors, administrator, successors and permitted assigns.
- 7.3. **SEVERABILITY AND WAIVER:** If any portion of this Credit Agreement is held to be invalid, the remaining portions shall remain in full force and effect and shall continue to be binding upon the parties. Failure to insist upon strict compliance with any of the terms or conditions of the Agreement shall not be deemed a waiver of such term or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.
- 7.4. **CONFLICT:** In the event of any conflict or inconsistency between a provision of the Credit Agreement and a provision of these Terms and Conditions, the applicable provision of the Credit Agreement shall govern.
- 7.5. **HEADINGS:** These headings contained in these Terms and Conditions are for convenience of reference only and shall not affect the interpretation or meaning of this Agreement.
- 7.6. **ENTIRE AGREEMENT.** The Credit Application, the Credit Agreement, these Terms and Conditions, and any invoices issued by Heartland, which are incorporated fully as if set forth verbatim herein, constitute the entire agreement with respect to the billing arrangement between the Customer and Heartland and supersedes any previous oral or written agreements.
- 7.7. To help the government fight terrorism & money laundering activities, Federal law requires verification and recording of information that identifies each person or commercial entity who opens an account or obtains financing. For this reason, Heartland or its affiliates or their lending sources may ask Customer and/or each Owner for information such as name, address, date of birth, Social Security, or other Tax Identification Number and other information that will allow Heartland or its affiliates or their lending sources to identify Customer and/or each Owner. Heartland or its affiliates or their lending sources may also request additional information or assistance and cooperation with completing and executing other due diligence documents meant to verify individual or company identities and financial status, and Applicant agrees to provide such additional information, assistance, and cooperation.
- 7.8. **JURISDICTION:** This Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to conflict-of-law rules and venue for any action shall lie exclusively in the state or federal courts located in that state.
- 7.9. **COUNTERPARTS:** This Agreement may be signed in one or more counterparts, either originally or by way of facsimile or electronically transmitted (each of which will be deemed to be an original), all of which together will constitute one and the same original document, whether forwarded via facsimile or otherwise.