

CREDIT APPLICATION AND AGREEMENT

REVISED 03/11/05

APPLICANT INFORMATION					
APPLICANT NAME (S) (Required)			BUSINESS NAME (If Applicable)		YEARS IN BUSINESS
POSTAL ADDRESS	STREET ADDRESS		E-MAIL ADDRESS		AREA CODE - TELEPHONE #
CITY	COUNTY	STATE	ZIP CODE	AREA CODE - FAX #	
SHIPPING ADDRESS, CITY, STATE, ZIP (IF DIFFERENT FROM ABOVE)					
BILLING ADDRESS, CITY, STATE, ZIP (IF DIFFERENT FROM ABOVE)					
TYPE OF BUSINESS STRUCTURE (CHECK ONE): <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input type="checkbox"/> SOLE PROPRIETOR OTHER – INDICATE: <input type="checkbox"/> LLC (Limited Liability Company) <input type="checkbox"/> LLP (Limited Liability Partnership)					
STATE OF ORGANIZATION		STATE ORGANIZATION NUMBER		FEDERAL TAX ID NO.	
CREDIT REFERENCES					
LENDER NAME		CONTACT NAME		AREA CODE - FAX NO	AREA CODE - TELEPHONE NO
ADDRESS		CITY		STATE	ZIP CODE
CHECKING ACCOUNT #	SAVINGS ACCOUNT #	BALANCE	OTHER TYPE OF ACCT. BALANCE		
LENDER NAME		CONTACT NAME		AREA CODE - FAX NO	AREA CODE - TELEPHONE NO
ADDRESS		CITY		STATE	ZIP CODE
CHECKING ACCOUNT #	SAVINGS ACCOUNT #	BALANCE	OTHER TYPE OF ACCT. BALANCE		
SUPPLIER REFERENCES					
SUPPLIER NAME		CONTACT NAME		AREA CODE – FAX NO	AREA CODE-TELEPHONE NO.
ADDRESS		CITY		STATE	ZIP CODE
TERMS OF PURCHASE				CURRENT AMOUNT OWED \$	AMOUNT PAST DUE \$
SUPPLIER NAME		CONTACT NAME		AREA CODE – FAX NO	AREA CODE –TELEPHONE NO.
ADDRESS		CITY		STATE	ZIP CODE
TERMS OF PURCHASE				CURRENT AMOUNT OWED \$	AMOUNT PAST DUE \$
APPLICATION FOR PRE-AUTHORIZED PAYMENT PLAN WITH SUPPLIER					
By completing the following Applicant makes request for use of Supplier's Pre-Authorized Payment Plan for payment of invoices, statements, or billings rendered to Applicant by Supplier					
NAME OF BANK		CONTACT NAME		AREA CODE – FAX NO	AREA CODE-TELEPHONE NO.
ADDRESS		CITY		STATE	ZIP CODE
ACCOUNT NAME		BANK ROUTING NUMBER		ACCOUNT NUMBER	

CREDIT TERMS AND AGREEMENT

1. **PARTIES.** The above-named applicant(s) (collectively "Applicant") hereby submits this Credit Application and Agreement ("Agreement") to the following separate and distinct entities: Heritage Trading Company LLC ("Heritage"), Universal Cooperatives, Inc. ("Universal") the subsidiaries of each of these entities, and any entity owned wholly or in part by these entities in the future (collectively, "Supplier" or individually, "Supplier Entity"). This single application and agreement for credit made by Applicant to Supplier is for Applicant's convenience and shall be deemed a separate application and agreement to and with each Supplier Entity. Applicant understands and agrees that each Supplier Entity is a separate and distinct entity. Each Supplier Entity is solely responsible for its respective undertakings and obligations, and no Supplier Entity shall be liable or responsible for the acts or undertakings of any other Supplier Entity. Applicant agrees that any Supplier Entity may share information contained herein, or derived pursuant to this Agreement with any other Supplier Entity or any entity or person providing credit related services to a Supplier Entity, and that any Supplier Entity may administer and service any credit established pursuant to this Agreement. A Supplier Entity may assign all of such Supplier Entity's rights conveyed hereunder to any other Supplier Entity or any parent, affiliate, subsidiary, successor, or assign of such Supplier Entity without notice and without affecting any of Applicant's obligations hereunder.

2. **EFT PAYMENTS.** Applicant agrees that certain credit terms offered by Supplier may require payments to be electronically drafted from Applicant's designated bank account(s), and that such draft will result in a deposit into a bank account in the name of a Supplier Entity. Applicant jointly and

severally promises to pay all indebtedness of Applicant to Supplier. Applicant jointly and severally promises to make payments as necessary to keep Applicant's account balance with Supplier within credit limit and terms. Nothing herein will excuse Applicant from paying all sums lawfully due by Applicant to Supplier notwithstanding that such sums advanced or credit extended exceeds or differs from the credit terms extended by supplier.

3. LATE CHARGE. Payments not made by Applicant within terms will incur a late charge after the date due calculated at a rate equal to the lesser of 18% per annum, or the highest rate allowed by applicable law. To the extent permitted by applicable law, Applicant agrees that the finance charge is subject to change by Supplier upon written notice given in advance of the effective date of the change. Should collection action or litigation ever become necessary to collect delinquent sums due to Supplier; Applicant further agrees to pay to Supplier Supplier's collection costs and attorney's fee(s) providing such obligation is lawful.

4. DEFAULT. An event of default ("Event of Default") occurs when: (1) any debt or obligation of Applicant to Supplier is not paid when due; (2) any covenant or agreement of Applicant with Supplier is not fully and timely performed or an occurrence of default occurs thereunder; (3) any statement, representation, or warranty by Applicant to Supplier is false, misleading, incomplete, or erroneous in any respect; (4) Applicant or Guarantor does not pay their debts as such debts become due; (5) Applicant or Guarantor commences any case, proceeding, or other action seeking the reorganization, rearrangement, adjustment, liquidation, or dissolution under any debtor relief laws or bankruptcy laws or an involuntary case or proceeding is commenced against the Applicant under any debtor relief laws or bankruptcy laws; (6) a final judgment is entered against Applicant or Guarantor or any process is levied or directed against Applicant's or Guarantor's property; (7) Supplier receives any checks or EFT drafts from Applicant which are returned uncollected or insufficient; or (8) the financial status of the Applicant or Guarantor, in the sole opinion of Supplier, becomes impaired in any way.

Upon occurrence of an Event of Default, Supplier may (1) terminate all credit terms, agreements, accommodations, and conditions hereunder; (2) demand immediate payment; (3) require sales by prompt payment terms, cash, COD, cashier's check, or other terms determined at the discretion of the Supplier; (4) discontinue shipment of product; and/or (5) discontinue Applicant's eligibility for discounts. In the event that any check, EFT draft, or pre-authorized payment is returned to Supplier uncollected or insufficient, the gross amount of the invoice(s) covered by the returned item shall be immediately due and payable and such purchase shall be ineligible for cash discount (deleted). Supplier may charge up to \$50 for processing any check, EFT draft, or pre-authorized payment returned uncollected by Applicant's bank for any reason.

5. CREDIT HISTORY. Applicant authorizes all of Applicant's creditors and references, including, but not limited to, those listed herein, to release to Supplier whatever information may be contained in their files pertaining to personal and financial dealings with Applicant, and grants Supplier permission to complete any credit investigation of Applicant, including, but not limited to, reports by a credit reporting agency or entity.

6. TRANSFER OF FUNDS. In the event that Applicant is approved by Supplier for a pre-authorized payment plan, Applicant understands and agrees: (1) Supplier may transfer money from Applicant's bank account for payment due, provided there are sufficient collected funds in said account to pay any pre-authorized payment; (2) Supplier's rights with respect to such transfer(s) shall be the same as with a transfer(s) drawn upon Applicant's bank and signed personally by Applicant; (3) Applicant's bank shall be under no obligation to furnish Applicant with any special advice or notice in writing or otherwise of the payment and charge of such transfer(s); (4) the authority for such transfer(s) shall remain in effect until revoked by Applicant in writing and actually received by Supplier; (5) Applicant warrants that Applicant's bank will honor all such pre-authorized payment(s) immediately upon presentation for collection; and (6) Applicant will execute all necessary authorization forms for such transfer(s) reasonably required by Applicant's bank or by Supplier.

7. CHANGE IN BUSINESS FORM. Applicant agrees that should credit be extended to Applicant or to any business entity in which Applicant has a proprietary interest, pursuant to this Agreement, and Applicant or the business entity in which Applicant has a proprietary interest commences doing business under another name, different ownership, or legal form, Applicant and the Guarantor(s) guarantee and shall be personally, jointly and severally responsible for payment of all monies due and owing to Supplier from both the original and the new business entity or form until Applicant notifies Supplier in writing of such change in business status, such written notification is received by Supplier's credit department, and the prior entity or form has paid any balance due Supplier.

8. ACCURACY OF APPLICANT DATA. Applicant certifies that any financial information provided by Applicant to Supplier pursuant to this Agreement was given to Supplier as inducement for the extension of credit from Supplier. Applicant further certifies that any such information is accurate, true, complete, and correct as of the time it was provided. Applicant certifies that the name shown on line 1 (one) of this Agreement occupies the address shown on line three (3) of this Agreement and is engaged in business as a retailer, manufacturer, or lessor, and is registered with the state and cities shown in attached use tax exemption certificate which has been provided by the Applicant, within which Applicant would deliver purchases, and that any such purchases are for wholesale, resale, ingredients, or components of new product to be resold, leased, or rented in the normal course of Applicant's business. Applicant further certifies that if any property purchased tax free is used or consumed by the Applicant as to make it subject to sales or use tax, that Applicant will pay the tax due directly to the appropriate taxing authority when state law so provides, or inform the Supplier for added tax billing. This exemption certificate shall be part of each order, which Applicant may hereafter give to Supplier unless otherwise specified, and shall be valid until cancelled by Applicant in writing or revoked by the city or state.

9. CHANGE IN CREDIT TERMS. Applicant agrees that should Supplier grant credit availability, all credit extended shall be at the sole discretion of Supplier. Supplier may increase, decrease, or terminate any credit availability at any time at Supplier's sole discretion. As a condition of continued extension of credit, Applicant and Guarantor agree to provide Supplier with an updated financial statement including the balance sheet and profit statement whenever requested, but no less often than within 90 days subsequent to Applicant's/Guarantor's fiscal year-end or whenever a change in terms occurs. Supplier may request the Applicant to provide an updated credit agreement and guaranty at any time, including whenever Applicant requests additional terms or a change in terms. Applicant's failure to comply may cause Supplier to terminate any credit availability, solely at Supplier's discretion.

10. PAYMENT OF INVOICES. Applicant agrees to pay all invoices within the terms stated on each invoice and affirms that the terms of all present and future invoices from Supplier are incorporated herein by reference. Applicant agrees to pay all invoices by the net due date described therein. In the event that payment is not received by Supplier at the address listed on the invoice by the end of business on the net due date, the invoice will be delinquent.

No statement or special endorsement on a check or other banking item from Applicant to Supplier or on a letter accompanying any payment shall be binding upon Supplier. Supplier may, with or without notice to Applicant, negotiate any such check without being bound by the conditions of any such statement or endorsement.

11. GOVERNING LAW. The laws of the State of Minnesota will govern this Agreement.

12. DISCOUNTS. Discounts may be offered on certain purchases. To be eligible for discount the open account of Applicant with Supplier must be current and the payment received on or before the cash discount due date.

13. **SECURITY INTEREST.** Supplier may delay the enforcement of any of Supplier's rights arising under this Agreement or by operation of law without waiving any such rights. Applicant hereby grants Supplier a security interest in (1) any of Applicant's inventory or property that is provided by Supplier, or contains any product provided by Supplier; (2) any of Applicants cash accounts containing funds generated by Supplier's product; and (3) any livestock of Applicant treated by or with Supplier's products. Applicant hereby authorizes Supplier to perfect Supplier's security interest as prescribed within the Uniform Commercial Code of any applicable state without Applicant's signature or further participation.

14. **RIGHT TO OFFSET.** In the event of delinquency or other default on the part of the Applicant, Applicant agrees that Supplier may offset any amounts owed to Applicant by Supplier against Applicant's obligations to Supplier. The Applicant hereby acknowledges and confirms Applicant's obligations to Supplier arising from past or future purchases of product under the credit policies of the Supplier as they may now exist and as amended from time to time.

15. **SAFE HANDLING OF GOODS.** Applicant agrees that Applicant shall be solely responsible for the safe selection, handling, storage, use, and disposal of any goods or products or wastes of any goods purchased by Applicant from Supplier (the "Safe Practices"). Applicant shall be responsible for familiarizing Applicant with all information regarding Safe Practices, for following Safe Practices, and for assuring that all employees, contractors, agents, and customers of Applicant follow Safe Practices. Applicant will comply with all federal, state, or local laws, rules, regulations, and follow all industry standards concerning Safe Practices. Applicant will indemnify Supplier against any claims, loss, liability, and / or expense (including reasonable attorney's fees and costs of defense) arising out of Applicant's failure to follow Safe Practices.

16. **DISCLAIMER OF WARRANTIES.** SUPPLIER EXCLUDES AND DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY GOODS SOLD TO APPLICANT. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, WHICH EXTEND BEYOND THE WARRANTIES EXPRESSLY STATED ON THE FACE OF ANY SUCH PRODUCT.

17. **EXCLUSIVE REMEDY.** Applicant's sole and exclusive remedy for claims made against Supplier (including, without limitation, claims for breach of contract, breach of warranty, negligence, or strict liability) are limited to the replacement of any products sold or services provided. Supplier is not responsible and Applicant expressly agrees to hold Supplier harmless for any special, indirect, consequential, exemplary, incidental, or additional damages.

18. **NON-CONFORMING GOODS.** Within ten (10) days after receipt by Applicant of any goods or products from Supplier and before any part of the goods or products have been changed from their original condition, organization, grouping, or location, Applicant shall inform Supplier, in writing, if the goods or products are non-conforming or defective in any respect or if Applicant disputes the count, amount, or pricing of such products. Failure to timely inform Supplier of any such claim as provided in this Paragraph shall be conclusive on Applicant that conforming goods or products were delivered to Applicant and accepted by Applicant in all respects. All prices on any invoice or statement of Supplier are deemed accurate if not contested by Applicant in writing to Supplier within ten (10) days after receipt of the invoice or statement.

19. **APPLICATION OF PAYMENTS.** Supplier, in Supplier's sole discretion, may apply all payments received from Applicant or from any Guarantor or realized from any security, in such manner and order of priority as Supplier may determine.

20. **NONUSURIOUS INTEREST RATES.** Interest charged on any obligation of Applicant shall not exceed the maximum amount of interest that may be contracted for, taken, or received under applicable law; any interest in excess of that maximum amount shall be credited to the principal of the obligation, or, if that has been paid, refunded.

21. **BINDING AGREEMENT.** Applicant agrees that the terms and conditions of this Agreement constitute a binding agreement.

22. **MISCELLANEOUS.** This Agreement shall inure to the benefit of all successors and assigns of Supplier. Applicant is not a partner, agent, nor joint venturer with Supplier. This Agreement supersedes any prior understanding or written or oral agreement between Supplier and Applicant regarding the subject matter hereof. This Agreement may not be altered except by written agreement signed by the party to be bound. All rights and remedies herein granted to Supplier and any rights and remedies which Supplier may have at law, are cumulative, not alternative, and the exercise of one such right or remedy by Supplier shall be without prejudice to the enforcement of any other right or remedy authorized by law or this Agreement. If any provision of this Agreement or any part hereof is declared invalid by any court of competent jurisdiction, such action shall not affect the validity of this Agreement, and the remainder of this Agreement shall remain in full force and effect in accordance with the tenor of the remaining provisions or parts of provisions contained in this Agreement.

23. **AUTHORITY TO SIGN.** The person(s) signing below certify that such person(s) possesses the authority to 1) apply for credit with Supplier on behalf of Applicant, 2) authorize any credit investigation the Supplier may deem necessary, and 3) to fully bind the Applicant to these terms and conditions. In the event that person(s) signing below does not possess such authority, the person(s) agrees to guaranty any credit extended by Supplier pursuant to this Agreement.

Date	Applicant's Name	Applicant's Signature	Print Applicant Name, Title	Social Security #
Date	Applicant's Name	Applicant's Signature	Print Applicant Name, Title	Social Security #

Credit History Release

Dear Supplier / Lender:

(Applicant Name) _____ authorizes all of Applicant's creditors and references, including, but not limited to, those listed in the Credit Application and Agreement, to release to Supplier whatever information may be contained in their files pertaining to personal and financial dealings with Applicant, and grants Supplier permission to complete any credit investigation of Applicant, including, but not limited to, reports by a credit reporting agency or entity.

The person(s) signing below certify that such person(s) possesses the authority to 1) apply for credit with Supplier on behalf of Applicant, 2) authorize any credit investigation the Supplier may deem necessary, and 3) to fully bind the Applicant to these terms and conditions. In the event that the person(s) signing below does not possess such authority, the person(s) agrees to guaranty any credit extended by Supplier pursuant to this Agreement.

Date		Applicant's Signature	Print Applicant Name, Title
Date		Applicant's Signature	Print Applicant Name, Title

GUARANTY

In consideration of extension of credit by Supplier to Applicant and/or forbearance from immediate collection of any existing indebtedness of Applicant to Supplier, the undersigned guarantor(s) (herein "Guarantor" whether one or more) hereby unconditionally guarantees, jointly and severally, punctual payment and performance of all Applicant's obligations, present and future, to Supplier including all collection costs, court costs, and attorneys fees.

This Guaranty shall be continuing and unlimited and may be terminated only upon 30 days' written notice to the Supplier. Any cancellation of this Guaranty shall not relieve Guarantor of any obligations of Guarantor hereunder arising prior to the effective date of such cancellation. The Supplier may exercise Supplier's rights under this Guaranty without first taking any action against the Applicant. Guarantor shall be bound hereunder even if Applicant for any reason is not liable in law or equity to pay part or all of Applicant's obligations to Supplier (e.g., if Applicant is incompetent, does not have the capacity to create or be bound to pay such obligation, Applicant does not legally exist, or Applicant does not properly and lawfully authorize the creation of such obligation). Guarantor acknowledges that Guarantor will receive a direct and material benefit from the obligations of Applicant covered by the terms of this Guaranty. Supplier shall be entitled to enforce the obligations of this Guaranty against the Guarantor without regard to the filing of any bankruptcy or insolvency proceeding by Applicant.

Guarantor hereby authorizes Guarantor's creditors and references, including, but not limited to, those listed on the credit application, to release to Supplier whatever information may be contained in their files pertaining to personal and financial dealings with Guarantor, and grants Supplier permission to complete any credit investigation of Guarantor, including, but not limited to, reports by a credit reporting agency or entity.

Guarantor hereby waives all notices, demands, and presentations relating to any extension of credit or default. No subsequent activities of Supplier or transactions between Supplier and Applicant other than payment (including but not limited to extensions of due dates or release of substitutions or collateral security) shall affect Guarantor's obligations under this Guaranty. Post judgment interest shall accrue on all sums due under this Guaranty at the post judgment interest rate applicable to Supplier.

Date	Guarantor's Name (print)	Guarantor's Date of Birth	Guarantor's Social Security No.
SIGNATURE _____, Guarantor		Guarantor's Driver's License No. and Issuing State	
Guarantor's Postal Address, City and State		Guarantor's Street Address, City, and State	

Date	Guarantor's Name (print)	Guarantor's Date of Birth	Guarantor's Social Security No.
SIGNATURE _____, Guarantor		Guarantor's Driver's License No. and Issuing State	
Guarantor's Postal Address, City and State		Guarantor's Street Address, City, and State	

SUPPLIER OFFICE USE ONLY

SUPPLIER'S SALES REP. USE ONLY:

Sales Representative Name (Please Print)	Sales Representative's Term and Limit Recommendation
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SUPPLIER'S CREDIT REP. USE ONLY:

Date	Credit approved? YES NO	Terms Approved	Limit Approved
Signature, Title			