



CUSTOMER APPLICATION

Company Information

Legal Name _____

Trade Name(s) _____

Bill To Address _____

Ship To Address _____

City _____ State _____ Zip _____

Telephone _____ Fax _____ Company Web-Site _____

Federal Tax ID# _____ PACA# _____ Expires _____ D&B# _____

Corporation Proprietorship Partnership LLC Other _____ Annual Sales (\$) _____

Year Established _____ Year Incorporated _____ State of Incorporation _____

Type of Organization Wholesale Distributor Retailer Processor Other _____

Building/Facilities Owned Leased Name & Phone # of Mortgage Holder/Lessor _____

Equipment Owned Leased Name & Phone # of Lien Holder/Lessor _____

Names of Principal Officers, Partners or Owners:

Name _____ Social Security Number _____ Title _____

Name _____ Social Security Number _____ Title _____

Name _____ Social Security Number _____ Title _____

Within the last five (5) years has the applicant, or principal owners of the applicant, been sued by a trade creditor, been subject to a PACA Trust claim or filed a petition under any Chapter of the Bankruptcy Code? Yes No If Yes, Please explain Below:

Are your receivables and/or inventory pledged to others? Yes No If yes, Please explain: _____

Please list any companies in which any of the principals have a five percent (5%) or greater ownership interest:

Company Name _____ Address _____

Company Name _____ Address _____

Primary Contact Information:

Finance Contact Name _____ Telephone _____ Email _____

Buyer Contact Name _____ Telephone _____ Email _____

Payables Contact Name _____ Telephone _____ Email _____

CUSTOMER APPLICATION - TERMS AND CONDITIONS AGREEMENT

This Customer Application ("Application") is made to Kaolin Mushroom Farm, Inc. and each of its respective operating subsidiaries and affiliates (referred to herein alternatively as "KAOLIN" or Operating Company") for the purpose of inducing KAOLIN to extend credit accommodations to the applicant hereto ("Purchaser") named below, who agrees to fully comply with all terms and conditions herein. Purchaser further agrees that all purchases from KAOLIN by Purchaser or its agent, employee or representative on an open account basis also are subject to the following terms and conditions:

1. Extension of Credit. Upon written approval of this Application by KAOLIN or any Operating Company, KAOLIN will extend reasonable credit as appropriate, in its sole discretion and, also at its sole discretion, shall have the right to terminate Purchaser's credit privileges at any time without prior notice, except as otherwise provided by law. Purchaser grants KAOLIN a purchase money security interest in all goods purchased from KAOLIN, and will cooperate in executing any UCC filings related thereto.

2. Business Purposes. Purchaser certifies that this request is for the extension of credit for business purposes only and is not intended for the extension of credit for personal, family or household purposes.

3. Incorporation by Reference. All purchases by Purchaser of goods and/or services from KAOLIN will be made in accordance with the terms and conditions of this Application and any applicable distribution agreement, invoice and/or other relevant documents evidencing Purchaser's obligations to KAOLIN, all of which are incorporated herein by this reference in the event of any conflict between the terms and conditions of this Application and any distribution agreement, the terms and conditions of this Application shall control. Except as to quantity of goods ordered no terms or conditions set forth in any purchase order or other form of Purchaser will apply to sales by KAOLIN to Purchaser.

4. Failure to Pay; Late Charge. The entire outstanding balance due to KAOLIN by Purchaser on all invoices shall become due in full immediately upon the failure by Purchaser to pay any invoice when due. KAOLIN may at any time deduct any Purchaser monetary obligations from any amounts owed to Purchaser by KAOLIN, and to pay only the net sum due, if any. Purchaser agrees to pay a late charge in the amount of 1.5% per month (18% per annum) or the highest rate permitted by law, whichever is less, on any past due amounts until collected, and Purchaser agrees to pay all costs of collection incurred by KAOLIN, including reasonable attorney's fees and expenses and any collection agency fees should a default in payment or any other obligation of Purchaser to KAOLIN occur.

5. Dishonored Payments; Inactivity Fee. Purchaser agrees to pay a fee of \$30.00 or the highest amount permitted by law per occurrence for any returned items (checks or ACH) that are dishonored for any reason.

6. Choice of Law; Venue; Enforceability. This Application and all transactions between Purchaser and KAOLIN shall be governed by and interpreted in accordance with the laws of the state in which the Operating Company which provided materials, supplies and or services resides, without regard to the conflicts of law provisions thereof, and all actions and proceedings arising from, relating to or in connection with this Application shall be subject to the exclusive jurisdiction of any federal or state court located in that state. All parties agree that proper venue for any action related to this Application or the parties' relationship shall be in any federal court or state court situated in the county in which the Operating Company's Principal place of business is located. The parties further agree that no *forum non convenes* defense shall apply to any such action. If any particular provision of these Terms and Conditions is determined to be unenforceable then the remaining provisions shall continue in full force and effect.

7. Proprietary/Special Orders. If Purchaser ceases doing business with KAOLIN for any reason, Purchaser shall be liable to KAOLIN for remaining proprietary/special order items purchased for Purchaser by KAOLIN.

8. Assignment; Amendment. Purchaser may not unilaterally assign this Application or any portion hereof without the prior written consent of KAOLIN, which consent may be withheld at KAOLIN's sole discretion. In the event of a change of control of Purchaser, Purchaser shall notify KAOLIN in writing by certified mail. In such event, KAOLIN may, in its sole discretion, immediately terminate this Agreement and declare all sums immediately due and payable, which sums may be provided from the proceeds of any such transaction; or allow the successor to assume all obligations hereunder in writing, subject to a determination of creditworthiness by KAOLIN, in KAOLIN's sole discretion. In any case, this Application shall be binding upon and inure to the benefit of the respective permitted successors and assigns of the parties hereto. No amendment to, or change, waiver or discharge of, any provision of these Terms and Conditions shall be valid unless in writing and signed by an authorized representative of KAOLIN.

9. Perishable Agricultural Commodities Act. Purchaser and KAOLIN agree that for the sale of all products subject to the provisions of 7 U.S.C Sections 499a through 499t and 7 C.F.R Section 46.2(u) ("PACA Products"), the terms for payment to KAOLIN for such PACA Products shall be ten (10) days from date of shipment ("PACA Prompt Payment Terms") unless KAOLIN and Purchaser agree to different payment terms by executing a Payment Term Agreement; but in no instances shall the terms for payment exceed thirty (30) days. Any Payment Term Agreement may be revoked at any time by KAOLIN at its sole discretion. Both parties further agree to file and maintain a copy of this agreement in their respective records and that the terms of payment for all PACA Products

as agreed in this paragraph will be disclosed on all documents relating to each PACA transaction between the parties in a manner consistent with the terms of this paragraph. For any transactions between the parties involving both PACA Products and non-PACA Products, the PACA Payment terms agreed to shall be used.

10. Compliance with Federal Credit Laws. If this Application is not fully approved or if any other adverse action is taken with respect to Purchaser's credit status with KAOLIN, Purchaser has the right to request within 60 days of KAOLIN's notification of such adverse action, a statement of specific reasons for such action, which statement will be provided within 30 days of said request. To obtain the statement of specific reasons, please contact the credit department of the Operating Company that provided this Application. THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT PROHIBITS CREDITORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, OR AGE (PROVIDED THAT THE PURCHASER HAS THE CAPACITY TO ENTER INTO A BINDING CONTRACT); BECAUSE ALL OR PART OF THE PURCHASER'S INCOME DERIVES FROM ANY PUBLIC ASSISTANCE PROGRAMS; OR BECAUSE THE PURCHASER HAS IN GOOD FAITH EXERCISED ANY RIGHT UNDER THE CONSUMER CREDIT PROTECTION ACT. THE FEDERAL AGENCY THAT ADMINISTERS COMPLIANCE WITH THIS LAW CONCERNING THE CREDITOR IS THE FEDERAL TRADE COMMISSION, EQUAL CREDIT OPPORTUNITY - WASHINIGTON, D.C.

11. Credit Level; Liability. The approximate initial amount of credit that Purchaser requests shall not be binding upon KAOLIN, nor shall KAOLIN incur any liability by granting, reducing, increasing or refusing such amount. Purchaser recognizes that any credit requested or approved is not a limitation of liability, and Purchaser expressly agrees that it will be responsible for all goods and/or services purchased from KAOLIN.

12. Certification; Authorization. Purchaser hereby certifies that the information furnished under this Application and any other financial statements furnished in connection herewith, is true and correct and that this information is being provided to KAOLIN for the purpose of inducing KAOLIN to extend credit to Purchaser and understands and acknowledges that KAOLIN shall reasonably rely upon such information. Purchaser authorizes KAOLIN to investigate all trade and banking references furnished pertaining to the credit and financial responsibility of Purchaser, and to furnish Purchaser's credit status to credit reporting agencies. Purchaser understands and agrees to be bound by the above terms and all invoices and other documents furnished by KAOLIN from time to time, all of which are incorporated herein by reference, and agrees to advise KAOLIN of any material change in the information provided herein, including but not limited to, change of address or telephone number. Purchaser in all events shall notify KAOLIN in writing by certified mail of any changes of ownership of Purchaser. Purchaser understands that KAOLIN will retain this Application whether or not it is approved.

13. Original Document. Any reproduction of this Customer Credit Application by reliable means will be considered an original.

14. Limitation of Liability. KAOLIN and Purchaser agree that neither party shall in any event be liable to the other party or its respective subsidiaries, affiliates, franchisees or operators for any type of consequential or punitive damages (such as, but not limited to, loss of anticipated profits or business opportunity).

15. Franchisor/Franchisee. If Purchaser is a franchisee/licensee, Purchaser's franchisor/licensor may derive revenue or other material consideration as a result of Purchaser's purchases from KAOLIN. Therefore, the price for the products sold by KAOLIN to Purchaser may include rebates, allowances, mark-ups or credits that are paid by KAOLIN to Purchaser's franchisor/licensor in amounts determined by Purchaser's franchisor/licensor, which may not be shown on KAOLIN's invoice(s).

I agree to the terms and conditions contained herein and acknowledge that I have the authority to bind the applicant to the terms and conditions of sale. Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

APPLICANT ("Purchaser") (Full Legal Name of Business)

SIGNATURE (MUST be signed by Officer, Senior Partner or Owner to be valid)

Date

Printed Name of Officer, Senior Partner or Owner

Title

AUTHORIZATION FOR CREDIT REPORT

The undersigned is executing this Authorization for Credit Report individually for the purpose of authorizing KAOLIN MUSHROOM FARM, INC to obtain a consumer credit report from time to time on the undersigned individual through credit and consumer reporting agencies or other sources, in order to further evaluate the creditworthiness of such individual in connection with the credit evaluation process and the proposed extension of business credit to the Applicant. THE UNDERSIGNED, AS AN INDIVIDUAL, HEREBY KNOWINGLY CONSENTS TO THE USE OF SUCH CREDIT REPORT IN ACCORDANCE WITH THE FEDERAL FAIR CREDIT REPORTING ACT AS CONTAINED IN 15 U.S.C 1681, ET SEQ. AS AMENDED FROM TIME TO TIME.

PRINT NAME _____

SIGNATURE _____ DATE _____ SOCIAL SECURITY NUMBER _____

PRINT NAME _____

SIGNATURE _____ DATE _____ SOCIAL SECURITY NUMBER _____

PERSONAL GUARANTEE TO KAOLIN MUSHROOM FARM, INC.

FOR IN CONSIDERATION OF and as inducement for Kaolin Mushroom Farm, Inc. and their direct and indirect subsidiaries (referred to herein alternatively as "KAOLIN" or "Operating Company") to extend credit on an open account to Purchaser, the party identified in this Customer Application, the undersigned guarantor ("Guarantor") hereby personally, and not as an agent of Purchaser, irrevocably, absolutely and unconditionally without right of any deduction, set-off or otherwise, at all times, guaranty and agree to fully and promptly pay when due (including any acceleration thereof), as primary Guarantor any and all indebtedness owing to KAOLIN by Purchaser on said open account, whether said indebtedness now exists or is incurred hereafter, and whether for goods or services or in the form of notes, bills open account or any indebtedness in any other form. This Guarantee is absolute and continuing in nature until terminated by the written notice of Guarantor to KAOLIN, sent certified mail, return receipt requested, to Director of Credit, 649 West South Street, Kennett Square, PA 19348. Any termination of this Guarantee shall not terminate Guarantor's liability for any and all indebtedness incurred prior to the effective date of termination. All information and terms and conditions appearing in the Customer Application, which is executed contemporaneously herewith, are hereby incorporated into this Guarantee by reference, including, but not limited to terms pertaining to interest charges, attorneys' fees and terms of credit. GUARANTOR HAS READ AND UNDERSTANDS ALL OF THE PRINTED, TYPED AND HANDWRITTEN LANGUAGE APPEARING ON ALL PAGES OF THIS CREDIT APPLICATION DOCUMENT AND ACKNOWLEDGES THAT NO ESSENTIAL TERMS ARE OMITTED. Guarantor expressly waives notice from KAOLIN of acceptance and reliance on this Guarantee, notice of sales made to Purchaser and notice of default by Purchaser. Guarantor expressly consents to any modification or renewal of the terms of credit granted to Purchaser from time to time, and waives notice of any such modification or renewal.

In the event of any default by Purchaser of its obligations, KAOLIN may proceed directly against Guarantor to enforce its rights, without proceeding against Purchaser or exhausting any other remedies KAOLIN may have. This personal guarantee shall be binding upon Guarantor, its heirs, successors, representatives and assigns, and shall inure to the benefit of KAOLIN, its successors and assigns.

The undersigned consents to KAOLIN obtaining a consumer credit report on Guarantor for the purpose of evaluating the creditworthiness of Guarantor in connection with an application for business credit.

In the event more than one person executes this Guarantee, the obligations of each guarantor shall be joint and several and, all references to the singular herein shall be construed to include the plural.

The Guarantor(s) execute(s) this Guarantee on his or her own personal behalf, and not in any other capacity regardless of how Guarantor may characterize itself below.

Guarantor's Signature Date

Guarantor's Signature Date

Print Name

Print Name

Social Security Number

Social Security Number

Home Address

Home Address

Witness Signature Date

Witness Signature Date