

General Terms and Conditions for Tolling John I. Haas, Inc.

Effective Date: February 1, 2018

1. Nature of Agreement. These General Terms and Conditions for Tolling (“Terms and Conditions”) shall govern all Hop Tolling Contract(s) (“Tolling Contract”) for which John I. Haas, Inc. (“Haas”) performs the processing of raw hops and/or semi-processed hop products described hereinafter (the “Hop Products”). These Terms and Conditions and the Tolling Contract(s) now or in the future executed between Haas and the owner of such Hop Products (“Owner”) are referred to collectively herein as the “Hop Tolling Agreements”.

These Terms and Conditions constitute the entire agreement between Haas and Owner with respect to such Hop Tolling Agreements, except for such details of price, quantity, and delivery as would normally be specified by Tolling Contract and except for any written product specifications agreed on between the parties. **The parties intend that the Tolling Contract(s) shall incorporate by reference all of the provisions of these Terms and Conditions. However, in the event of any inconsistency in the terms of the Hop Tolling Agreements, the specific terms of the applicable Tolling Contract shall control.**

2. Quantity. For each Tolling Contract, Haas agrees to process Owner’s Hop Products into such refined hop product(s) as described in the applicable Tolling Contract (the “Finished Product”).

3. Processing. Haas agrees to process Owner’s Hop Products at the fee listed on the applicable Tolling Contract using standard industry practices and with standard industry yields and efficiencies, or pursuant to such other requirements as described in the applicable Tolling Contract, and deliver the Finished Product in accordance with the Hop Tolling Agreements.

4. Packaging. Haas will pack the Finished Product into Haas’ standard packaging unless specifically specified in the applicable Tolling Contract. If Owner requests packaging other than Haas’ standard packaging, additional packaging charges may apply.

5. Technical Analysis. Haas will perform technical analysis on all Hop Products and/or Finished Products utilizing Haas' normal procedures.

6. Delivery. Owner is responsible to timely deliver the Hop Products to Haas’ Yakima, Washington facility, or as otherwise described in the Tolling Contract. The Finished Product delivery terms to Owner will be IncoTerms 2010 Ex-Works at Haas’ Yakima, Washington facility, or as otherwise described in the Tolling Contract. Haas will inform Owner when processing is complete and the Finished Product is available for shipping.

7. Invoicing. Payment of all amounts owed under the Hop Tolling Agreements will be detailed by Haas in an invoice delivered to Owner and is due and payable in full within thirty (30) days of date of notification that Owner's Finished Product is available for shipping. A one and one half percent (1.5%) per month finance charge shall accrue on any unpaid balance. Owner agrees to pay all costs, including attorney's fees and/or collection fees incurred in collecting all amounts past due under the Hop Tolling Agreements.

8. Storage. Haas will provide storage of the Finished Product free of charge for thirty (30) days after the date of notification that Owner's Finished Product is available for shipping. After the thirty (30) day period, Haas will charge Owner its normal storage fee.

9. Excusable Delay. Haas shall not be liable to Owner for any losses, costs, or damages arising out of or resulting from any delays in the performance of the orders, or from any failure to perform in accordance with the terms of the Hop Tolling Agreement, if such failure is beyond the reasonable control of Haas. For purposes of this provision, circumstances beyond the reasonable control of Haas shall include, but are not limited to, any act of God, riot, strike, lock out, or labor difficulties, equipment failure, fire, flood, explosion, accidents, transportation interruptions, governmental actions, Haas' inability to obtain suitable or sufficient labor or necessary equipment, supplies or parts, or any other circumstance or contingency beyond the reasonable control of Haas which prevents the processing described in the Hop Tolling Agreement. Haas' performance under the Hop Tolling Agreement shall automatically be suspended during any delays excused under this paragraph and Haas shall not be responsible to Owner or any third party for any damage resulting from such suspension. Haas shall not be liable for any damages (whether direct, consequential, or incidental) arising from or out of any delay in processing or delivery caused by delays excused under this paragraph, whether or not notice of the delay has been given to Owner. If Owner's hops cannot be processed for reasons beyond Haas' reasonable control, Haas shall notify Owner in writing and Owner shall, within ten (10) days of receipt of such notice, make arrangements for the return of Owner's hops or the delivery of such hops to a third-party processor of Owner's choosing. In such event, such Tolling Contract shall terminate and be of no further force and effect.

10. Insurance. Haas shall maintain customary fire and extended coverage or direct damage insurance on Owner's Hop Products delivered under the Hop Tolling Agreements, with respect to all incidents customarily covered by Haas' insurance policy(ies) for a value at least equal to the i) lesser of the actual value to Owner under any written contract for the sale of the Hop Products or Finished Products or ii) spot market value of the Hop Products on the date of delivery to Haas. Said insurance coverage shall apply only for the period Owner's Hop Products are on premises owned, leased, rented, or otherwise operated by Haas for purpose of Hop Product storage and processing or when transporting Owner's Hop Products by Haas.

11. Security Interest. In addition to any lien authorized by law, Owner hereby grants Haas a security interest in the Hop Products and any Finished Product that is the subject of the Hop Tolling Agreements and all proceeds and products thereof, as security for the performance and payment of Owner's obligation under the Hop Tolling Agreements. Haas is authorized to file an appropriate financing statement to perfect its security interest granted in this paragraph, and,

in addition, Owner agrees to execute any and all additional documents requested by Haas for the purpose of evidencing or perfecting Haas' security interest in the Hop Products and/or Finished Product securing the repayment of Owner's obligations to Haas under the Hop Tolling Agreements. Notwithstanding Owner's failure to execute (or Haas' failure to file) any other documents evidencing and perfecting Haas' security interest authorized in this paragraph, Haas shall have all of the rights and remedies of a secured creditor, in addition to any statutory lien rights, pursuant to the security interest granted to Haas in these Hop Tolling Agreements.

12. Owner's Warranties. With respect to all Hop Products delivered to Haas pursuant to the terms of the Hop Tolling Agreements, Owner warrants as follows: (i) Owner has good and marketable title to the Hop Products, and the same are free and clear of all claims of liens and security interests of third parties, except as disclosed by Owner to Haas in writing and attached to the Tolling Contract; (ii) all Hop Products delivered to Haas are marketable in accordance with industry standards and comply with all applicable standards of the industry, the Hop Tolling Agreements and applicable law; (iii) that all Hop Products delivered to Haas are of uniform grade and premium quality; e.g., be of true aroma; be bright and of even color; be fully matured but not overripe; be free from off-type varieties; be free from mold, mildew and fungi; be free from sweepings and other foreign matter; not adulterated by spraying, dusting, fogging or other pesticide protective methods exceeding EPA tolerances; not contaminated by insects, rust, or vermin and complying with industry standard quality specifications; and (iv) Owner agrees to defend, indemnify, and hold Haas harmless from and against any and all losses as a result of the breach of Owner's warranties set forth in this paragraph.

13. Limitation on Warranties and Damages. Haas warrants only that it will use standard industry processing practices, and that the Finished Product delivered pursuant to this Agreement will be generally consistent with standard industry yields and efficiencies and substantially consistent with any Certificate of Conformance delivered to Owner as of the date and time of delivery. Owner agrees that the sole and exclusive remedy of Owner for any breach of Haas' limited warranty set forth above shall be (a) the reimbursement to Owner of the contracted cost of the Finished Product, or (b) replacement of any defective or nonconforming Finished Products of like-kind products, but only to the extent such like-kind products are available from Haas' inventory.

Notwithstanding any provisions in the Hop Tolling Agreements, the parties agree that any single damage claim against the other party shall not exceed the amount of Two Million Dollars (\$2,000,000.00) under each Tolling Contract.

Except as set forth in this paragraph, Haas makes NO REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, AND HAAS HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, EXCEPT TO THE EXTENT PROHIBITED BY APPLICABLE LAW. EXCEPT FOR HAAS' OBLIGATION TO REPLACE NONCONFORMING FINISHED PRODUCTS AS SET FORTH ABOVE, HAAS SHALL NOT BE RESPONSIBLE OR LIABLE TO OWNER, USERS OF THE FINISHED

PRODUCTS, OR ANY THIRD PARTIES FOR LOSS OR DAMAGES ARISING FROM THE USE OF THE FINISHED PRODUCTS INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, PERSONAL INJURY OR DEATH, PROPERTY DAMAGE, WHETHER DIRECT OR INDIRECT, AND SPECIFICALLY INCLUDING INCIDENTAL AND CONSEQUENTIAL DAMAGES.

14. Non-Disclosure. Haas and Owner each agree to keep in strictest confidence all information regarding the Hop Tolling Agreements, including the existence of the Hop Tolling Agreements, and agree not to disclose any such information to any third party (except as may be required by law or government regulation or each party's auditors or lenders), or use any such information for any purpose other than the foregoing without the prior approval of the other. Haas and Owner further agree to use their best efforts to limit access to those individuals who need to know such information for the purposes of the Hop Tolling Agreement.

15. General Provisions:

a. **Cooperation – Further Documentation.** The parties covenant to provide each other with such further documents (and to duly execute the same) as either of them may deem to be necessary or appropriate to complete or document the relationship contemplated by the Hop Tolling Agreements, consistent with the spirit of the transactions described herein.

b. **Applicable Law and Jurisdiction.** The exclusive jurisdiction for resolution of any claims between the parties shall be the Superior Court of the State of Washington in and for the County of Yakima. Any and all claims arising between the parties shall be governed by the law of the state of Washington, without reference to its principles of conflicts of law.

c. **Costs, Expenses & Attorneys' Fees.** In event of any dispute arising out of or relating to the Hop Tolling Agreements, whether or not suit or other proceedings is commenced, and whether in mediation, arbitration, at trial, on appeal, in administrative proceedings, or in bankruptcy (including without limitation any adversary proceedings or contested matter in any bankruptcy case), the prevailing party shall be entitled to its costs and expenses incurred, including reasonable attorney fees.

d. **Binding Effect.** To the extent not expressly prohibited by the Hop Tolling Agreements or applicable law, the Hop Tolling Agreements shall bind and inure to the benefit of the parties and their respective heirs, successors, assigns, and legal representatives.

e. **Notices.** Notices under the Hop Tolling Agreements shall be in writing and, unless otherwise required by law, may be delivered personally; by U.S. mail, certified or registered; by a nationally recognized overnight courier service; or by email transmission, if such email is sent to an authorized representative with confirmed receipt. Mailed notices shall be deemed effective on the third day after deposited as registered or certified mail, postage prepaid, directed to the other party at the address shown above.

Couriered notices shall be deemed delivered when the courier's records indicate that delivery has occurred. Email notices shall be effective upon the time of read receipt confirmation. Either party may change its address (physical or email) for notices by written notice to the other.

f. **Modification.** No modification, amendment, waiver or change of these Terms and Conditions shall be effective or valid unless signed by both parties.

g. **Severability.** The invalidity, illegality, or unenforceability of any portion of the Hop Tolling Agreements shall not affect, impair, invalidate, or otherwise nullify or void any other portion of the Hop Tolling Agreements or the Hop Tolling Agreements itself.

h. **Binding Agreement/Assignment.** By signing a Tolling Contract that references these Terms and Conditions, the parties represent that they have read and have fully understood the terms and conditions of the Hop Tolling Agreements and agree to be bound thereby. Neither party shall have the right to assign their rights or obligations under the Hop Tolling Agreements without the prior written approval of the other party.

i. **Waiver of Jury Trial.** HAAS AND OWNER EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE HOP TOLLING AGREEMENTS OR ANY TRANSACTION CONTEMPLATED BY THE HOP TOLLING AGREEMENTS, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IN THE EVENT OF LITIGATION BETWEEN THE PARTIES, A COPY OF THESE TERMS AND CONDITIONS AND ANY TOLLING CONTRACTS MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.