



Application

Customer Information									
Business Name:					Tax ID No.:			Credit Line Requested: \$	
DBA/Trade Name:				Type of Business:				Years in Business:	
Bill to Address:									
City:			State/Province:		Zip/Post:		County:		Country:
Ship to Address: (or check if Ship to Address is the same as the Bill to Address)									
City:			State/Province:		Zip/Post:		County:		Country:
Phone Number:				Fax Number:			Email Address:		
What is your ownership structure?		Sole Proprietor		Partnership		Are you:		Privately Held	
LLC    LLP    Corporation		Not-for-Profit		Governmental		or		Publicly Traded (Exchange:      Symbol:      )	
Do you    Lease or    Own your location?			Net Worth of Business: \$				Have you/owners ever filed bankruptcy?    Yes    No		
Are your purchases exempt from sales tax?			Business Hours for Receiving:						
Yes (Resale/PST Cert #:      )    No			Weekday:		Saturday:		Sunday:		
Do you sell on the internet?    Yes    No					Website(s):				
(If Yes, do you sell on    your website and/or    3 <sup>rd</sup> party websites)									
Officer/Principal Information									
Name:					Title:			Phone:	
Home Address:							Email:		
Name:					Title:			Phone:	
Home Address:							Email:		
Name:					Title:			Phone:	
Home Address:							Email:		
Name:					Title:			Phone:	
Home Address:							Email:		
Banking References and Contact Information									
Bank and Branch:			Name:			Bank and Branch:			Name:
Address:					Address:				
Phone:		Email:			Phone:		Email:		
Account No.(s):					Account No.(s):				
Major Supplier References and Contact Information									
Supplier Name:					Name:				
Address:					Phone:		Email:		
Supplier Name:					Name:				
Address:					Phone:		Email:		
Supplier Name:					Name:				
Address:					Phone:		Email:		
Contact for Purchasing									
Name:				Phone:			Email:		
Contact for Accounts Payable									
Name:				Phone:			Email:		
Contact for Shipping/Receiving									
Name:				Phone:			Email:		

**CUSTOMER AGREEMENT**

This *Customer Agreement* together with the attached *Account Application* and the attached *Terms and Conditions of Sale* each of which is incorporated by this reference as if fully restated herein (collectively, the “Agreement”) is made by and between Customer and Hawthorne and is effective, if approved by Hawthorne, as of the date signed by the Customer. Hawthorne shall be deemed to approve this Agreement upon Hawthorne either (i) providing written notice to Customer indicating Hawthorne’s approval, or (ii) initiating performance of Customer’s initial purchase order for the purchase of products offered for sale by Hawthorne (“Products”). In this Agreement, (i) “Customer” means the person or entity identified as the customer in the attached *Account Application*, and (ii) “Hawthorne” means Hawthorne Canada Limited where Customer’s ship to address in the attached *Account Application* is located in Canada or in all other cases Hawthorne Hydroponics LLC, and (iii) capitalized terms have the associated meaning where such term is embraced by quotation marks. Customer acknowledges that a completed *Account Application* does not guarantee the extension of credit or obligate Hawthorne to supply any Products to Customer. Customer represents to Hawthorne that all information provided in the attached *Account Application* is true and accurate as of the date of such *Account Application* and that Customer has been open for business for at least the thirty (30) day period immediately preceding the date of such *Account Application*. Open for business means maintaining a business location acceptable to Hawthorne that remains open during hours that are standard in Customer’s industry, possessing, if applicable, a valid business license and having a valid re-sale certificate required by law. Customer agrees to provide prompt written notice to Hawthorne of any material change to the information provided in the attached *Account Application*. In accordance with applicable law, this Agreement constitutes Customer’s written instruction that a consumer reporting agency (or where Customer is not a natural person any other information bureau of any kind) may furnish one or more consumer reports (or where Customer is not a natural person any other reports) to Hawthorne from time to time upon Hawthorne’s request, which Hawthorne may use to evaluate the extension of credit, investigate any information related to the attached *Account Application* or the purchase of the Products, and/or any other lawful purpose. Customer further acknowledges and agrees that in the event of a default by Customer that remains unsatisfied by Customer after demand by Hawthorne may be reported to credit reporting agencies (or where Customer is not a natural person any other information bureau of any kind) which may negatively impact Customer’s personal and/or business credit information. All notices from Customer to Hawthorne, except for payments which shall be addressed as provided below, shall be in writing and sent to 3204 NW 38th Circle, Vancouver, WA 98660 Attention: Legal Department. Either party may change its contact and address information upon written notice to the other party. Customer acknowledges that a fax or photographic copy of this Agreement shall be as valid as the original. Either party may terminate this Agreement (i) at any time and for any reason upon thirty (30) days’ written notice to the other party, or (ii) upon written notice in the event the other party fails to cure a breach of this Agreement after ten (10) days’ written notice from the non-breaching party describing the breach (or immediately if such breach is not capable of being cured by the breaching party), each subject to, for the avoidance of doubt, the survival of all applicable rights, claims, and obligations.

Customer, through the undersigned who represents that s/he (i) is a duly authorized representative of Customer, (ii) has authority to enter into this Agreement, and (iii) has received a copy of, or URL to, the attached *Terms and Conditions of Sale*, intends and does hereby enter into this Agreement which shall serve as the binding and exclusive agreement between Customer and Hawthorne regarding the purchase and sale of the Products.

**Customer**

Business Name: \_\_\_\_\_ DBA/Trade Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Payment Remittance Addresses</b>			
<b>US Mail West</b>	<b>US Mail East</b>	<b>Overnight US Delivery</b> <small>(Including FedEx, UPS, DHL, etc. where signature is required)</small>	<b>Canada</b>
Hawthorne Hydroponics LLC Dept. 35088 PO Box 39000 San Francisco, CA 94139	Hawthorne Hydroponics LLC 75 Remittance Drive Suite 1917 Chicago, IL 60675-1917	Hawthorne Hydroponics LLC 3204 NW 38th Vancouver, WA 98660	Hawthorne Canada Limited PO Box 99272, Stn Terminal Vancouver, BC V6B 0N5

**Visit Our Online Ordering System**

In order to receive service in the mostly timely manner, when possible, Hawthorne encourages you to submit your order online at <https://www.hawthornegc.com> in the US or <https://www.hawthornegc.ca> in Canada. Our website features the most current product offering and pricing. On our website you can shop for products and submit your order with our shopping cart system, create a shopping list for future use, download product images, and product and warranty information for use on your website. Most features on our website will be available to you by signing in with your username and password which will be sent to eligible customers upon account approval at the email address you provided. We are confident you will find our website user-friendly and flexible; however, if you have any feedback please do not hesitate to contact us. We encourage any feedback or suggestions for improvement. If you do not have web-access or if you prefer, you may also contact your sales or customer service representative or submit your orders via fax.

**PERSONAL GUARANTY**

The undersigned (each a “Guarantor” and collectively, the “Guarantors”) do hereby jointly and severally guarantee, in favor of Hawthorne, the performance and obligations of Customer under (i) the attached *Customer Agreement* between Customer and Hawthorne and (ii) all invoices for Customer’s purchase of products from Hawthorne (collectively, “Customer’s Obligations”). In this *Personal Guaranty*, (i) “Customer” means the person or entity identified as the customer in the attached Account Application, and (ii) “Hawthorne” means Hawthorne Canada Limited where Customer’s ship to address in the attached Account Application is located in Canada or in all other cases Hawthorne Hydroponics LLC, and (iii) capitalized terms have the associated meaning where such term is embraced by quotation marks. Each Guarantor shall be bound by all terms applicable to the performance of Customer’s Obligations and Hawthorne may, without the necessity of first exercising or exhausting any rights or remedies against Customer or any other Guarantor, demand performance of Customer’s Obligations by each Guarantor, including the full payment of all invoices due and owing to Hawthorne. This *Personal Guaranty* shall be a continuing and irrevocable guaranty and indemnity for all Customer’s Obligations including, without limitation, all amounts due and owing to Hawthorne. Guarantors do hereby waive notice of default, non-payment, and other conditions required to be provided to Customer, and consent to any modification of the Customer’s Obligations accepted by Customer or otherwise effectuated by Hawthorne under terms thereof. In accordance with applicable law, this *Personal Guaranty* constitutes each Guarantor’s written instruction that a consumer reporting agency (or where Guarantor is not a natural person any other information bureau of any kind) may furnish one or more consumer reports (or where Guarantor is not a natural person any other reports) to Hawthorne from time to time upon Hawthorne’s request, which Hawthorne may use to evaluate the extension of credit to Customer, investigate any information related to Customer, Guarantor, or Customer’s purchase of the products from Hawthorne, and/or any other lawful purpose. Guarantor further acknowledges and agrees that in the event of a default by Customer any of Customer’s Obligations that remain unsatisfied by Guarantor may be reported to credit reporting agencies which may negatively impact Guarantor’s personal or business credit information.

Guarantor(s)	
_____ Signature	SSN/SIN:
Print Name:	Date:
_____ Signature	SSN/SIN:
Print Name:	Date:
_____ Signature	SSN/SIN:
Print Name:	Date:
_____ Signature	SSN/SIN:
Print Name:	Date:

Principal-Customer	
Business Name:	DBA/Trade Name:

**Agreement** – These *Terms and Conditions of Sale* (these “Terms”) shall exclusively govern the sale, purchase, and receipt of all Products sold or provided by The Hawthorne Gardening Company and all its current and future subsidiaries (“Hawthorne”) to a buyer or recipient of such Products (“Customer”). “Products” include all goods and/or services offered for sale, sold, and/or provided by Hawthorne, including, without limitation, goods manufactured by or for Hawthorne under a brand owned or licensed to Hawthorne (“Signature Line Products”), goods manufactured by a third party and offered for sale in one or more territories exclusively through Hawthorne (“Exclusive Products”), and goods manufactured by a third party and offered for sale through Hawthorne on a non-exclusive basis (“Non-Exclusive Products”), and any ancillary personal services, technical services or advice provided by Hawthorne, with or without compensation, in connection with any goods offered for sale by Hawthorne (“Product Services”).

These Terms shall become binding as the sole and exclusive agreement by and between Customer and Hawthorne upon: (i) Hawthorne’s approval of a *Customer Agreement* (which incorporate these Terms by reference) signed by Customer, (ii) Customer’s issuance of a request or order for Products to Hawthorne, (iii) the delivery of the Products to Customer, or (iv) Customer’s payment to Hawthorne in satisfaction of any invoice issued by Hawthorne. These Terms supersede and replace any other prior agreement and terms or conditions stipulated or referred by Customer in any document and are the sole terms and conditions regarding the purchase and sale of Products between Customer and Hawthorne. No other agreements regarding the sale, purchase, or receipt of Products between Customer and Hawthorne exist absent an amendment to these Terms that (i) expressly and specifically references these Terms and (ii) is signed by an authorized representative of Hawthorne. Any terms and conditions included in Customer’s communications, forms, purchase orders, or other documents shall not amend, supplement, or in any way modify or be considered an exception to these Terms even if Hawthorne fails to object to such terms and conditions which are hereby expressly rejected by Hawthorne. Trade custom, trade usage and past performance are superseded by these terms and conditions and shall not be used to interpret these terms and conditions.

Notwithstanding the foregoing, any additional terms and conditions included in a *Customer Agreement* (which incorporate these Terms by reference) signed by Customer (including any *Personal Guaranty* thereunder) shall be in addition to and unaffected by these Terms. Trade programs, policies, and end-user product warranties shall not be deemed an agreement between the parties absent an amendment to these Terms that (i) expressly and specifically references these Terms and (ii) is signed by an authorized representative of Hawthorne, and shall apply according to the provisions thereof; provided, that, in the event of any conflict in such provisions and these Terms, these Terms shall prevail to the extent necessary to resolve such conflict.

Hawthorne may amend or supplement these Terms at any time and from time to time upon Notice to Customer. “Notice” includes, without limitation, email notification to any Customer email address provided to Hawthorne by Customer, written notice by mail to any Customer address provided to Hawthorne by Customer, posting to any Hawthorne website (without the requirement of individualized notice), inclusion of a URL on Hawthorne’s invoice or sales confirmation, or other notification issued by Hawthorne. The effective date of such amendment or supplement shall be the date indicated in the revision of these Terms, which shall not be earlier than the date of the Notice and shall only apply to the sale, purchase, and receipt of Products after such effective date. No oral or written arrangement, promise, or statement made by any personnel of Hawthorne shall be binding on Hawthorne.

## SUPPLY TERMS

**No Obligation to Supply** – Hawthorne may refuse any order at any time for any or no reason without liability to Customer. Customer acknowledges that Hawthorne is not obligated to sell to or supply Customer absent, subject to these Terms, a confirmed purchase order.

**Non-Exclusivity** – Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Customer. Hawthorne is not restricted from selling the Products to others in any way.

**Direct Selling Policy to the General Public** – Hawthorne reserves the right to sell to any person in any territory at any time, including direct to end-consumers in any channel of trade.

**Product Offering** – Hawthorne reserves the right to change, modify, improve, add, or discontinue Products at any time with or without notice.

**Pricing** – Products are sold at and Customer shall pay then-current prices in effect at the time the Products are shipped, which may be different than current catalog pricing. Customer should review the sales order acknowledgment for then-current pricing. Prices, discounts, and terms of sale are subject to change without notice.

**Taxes** – The prices of the Products exclude all taxes, costs, fees, levies, or other amounts imposed by any third party and shall be the responsibility of Customer.

**Minimum Annual Purchases** – In order to maintain a wholesale account status Customer’s Product purchases must meet or exceed \$10,000 annually. If Customer does not order the minimum purchase requirement, Hawthorne may close Customer’s account.

**Purchase Orders; Special Order Items** – Purchase orders are non-cancellable by Customer once accepted by Hawthorne, which occurs when Hawthorne either (i) confirms acceptance of such purchase order in writing, or (ii) initiates performance of such purchase order. If Hawthorne agrees to cancel a purchase order after Hawthorne initiates performance of such purchase order, Hawthorne may condition cancellation upon the payment of a restocking fee, which Customer shall pay to Hawthorne upon demand. Purchase orders for special order items are non-cancellable by Customer without exception. Special order items are considered to be Products which are available through Hawthorne but are not held in-stock in the Hawthorne distribution center that services Customer. Customer is responsible for purchasing 100% of the quantity of special order items ordered from Hawthorne on a take or pay basis. Customer acknowledges that special items are not held in-stock and the inbound lead times for such Products are subject to the manufacturer's lead times and are out of Hawthorne's control. Special order items may require, at the sole discretion of Hawthorne, payment in advance up to 100% of the purchase price, which is non-refundable.

**Information Accuracy** – Hawthorne has exercised care in providing proper information in connection with its Products, i.e., catalog information, but accuracy is not guaranteed. Customer is responsible for verifying all information in connection with the purchase of the Products, including that the description of the Product is accurate, prior to submitting a purchase order to Hawthorne and upon receiving the sales order acknowledgment or other confirmation provided by Hawthorne. Hawthorne may correct typographical, incomplete, or clerical errors and/or omissions for purposes of fulfilling Customer's order, but does so without liability to Customer.

**Industry Exclusive Logo** – Product information may include an industry exclusive logo indicating that the Exclusive Product, the brand of the Exclusive Product or the distribution rights to the Exclusive Product are exclusively held by Hawthorne. Customer acknowledges that similar products that are competitive to the Exclusive Products may exist under other brand names.

**Lead Times and Unavailability** – All orders are subject to Hawthorne's standard lead times. The requested delivery period will be observed as possible and subject to availability and Customer acknowledges that such periods are estimates only. Hawthorne may make partial shipments and invoice Customer for such shipments which shall be paid by Customer as indicated on Hawthorne's invoice.

## PRODUCT TERMS

**Sale and Use Restrictions** – Customer may only (i) promote and resell the Products in the course of a retail business operated from (a) offline store locations leased or owned solely by Customer and/or (b) websites with top level domains solely owned and operated by Customer to consumer, commercial, or other end user purchasers (an "Authorized Dealer"), (ii) promote and resell the Products for installation or application by the Customer in the course of providing a bona fide professional service to a third party for a fee ("Authorized Installer"), (iii) use the Products for their intended purpose in its own commercial operations other than cannabis operations, unless such cannabis operations are (a) located in Canada, and (b) in compliance with all applicable provincial and local laws, rules and regulations, and possess and maintain in good standing all required licenses that authorize such cannabis operation to grow, harvest, process, dry, trim, cure, store, and/or package cannabis ("Commercial Producer"), and/or (iv) promote and resell the Products in the course of a wholesale business solely owned and operated by Customer to end user purchasers for use in such purchaser's own commercial operations if, and only if, and so long as, Customer is approved and authorized as a wholesaler by Hawthorne in writing (an "Authorized Wholesaler"). Cooperative or group buying with persons or businesses that are not under common ownership is strictly prohibited. Customer may not sell or provide Products sold or provided by Hawthorne to any party Customer knows or reasonably should know intends to further distribute or resell the Products.

**Use of Hawthorne's Intellectual Property and Information** – Customer may not use Hawthorne's name, Product names, Product images, Product descriptions, Hawthorne's trademarks, or other content provide by Hawthorne without Hawthorne's express written consent. Use in all forms, including print, TV, radio, and digital must be pre-approved by Hawthorne in writing. Any approval provided by Hawthorne is (i) revocable at any time by Hawthorne, and (ii) shall be valid for the period of time indicated in Hawthorne's written approval, but in no event shall such use exceed one (1) year from the date of approval. As between Hawthorne and Customer, all right, title, and interest in all intellectual property rights contained in or arising from the Products, Hawthorne's name, Product names, Product images, Product descriptions, Hawthorne's trademarks, or other content provide by Hawthorne belongs solely to Hawthorne or its licensor and Customer obtains no ownership or license of such rights.

**Confidentiality** – All non-public documents, communications, pricing, trade programs, and other information relevant to Hawthorne's supply of the Products are confidential information of Hawthorne. Customer shall have the obligations with respect to such confidential information as provided in the Customer Agreement, or if such Customer Agreement does not contain any applicable obligations restricting use and disclosure of Hawthorne's confidential information, Customer hereby agrees not to disclose such confidential information to any party unless compelled by law or authority of a competent court.

**Auctions and Discount Websites** – Customer may only sell or offer for sale the Products through its own websites and shall not sell or offer for sale any Signature Line Products on any auction or discount community websites or market places without express written permission from Hawthorne.

**Complimentary Products** – Customer may be provided Products free of charge or at a reduced cost which are intended to be used for retail displays, sales representatives' samples, or testing, and not for resale. If Customer resells such Products Hawthorne may invoice Customer for

such Products and Customer shall pay such invoice.

**Factory Seconds** – Hawthorne may offer Customer Products that have cosmetic defects or which are contained in damaged packaging. While these Products may meet Hawthorne’s quality standards, these Products cannot be offered as “first quality” Products. These Products are labeled/ marked as “factory seconds” and are offered by Hawthorne at a discount, generally 20%. Customer may not offer or sell Products labeled/ marked as factory seconds as first quality. Customer acknowledges that a violation of this restriction will negatively affect Hawthorne’s brands and reputation of selling top quality products. In addition to any other remedies available to Hawthorne, if Hawthorne determines a Customer is selling factory seconds as first quality by removing the factory seconds labels/marks, Customer shall return all such Products to Hawthorne upon Hawthorne’s request at Customer’s cost.

**Recalls and Product Notices; Restricted Products** – Customer shall cooperate with Hawthorne or any third party manufacturer in connection with any product notices, recalls, or other action deemed necessary by Hawthorne, any third party manufacturer, or governmental authority, including, without limitation, disseminating information and bulletins regarding product issues, collecting and remitting products or information subject to such action, or other action reasonably requested of Customer. Customer shall not ship, offer, or sell any Product where such shipment, offer, or sale is prohibited by law or restricted by Hawthorne or any third party manufacturer.

**Product Handling** – Customer shall not adulterate, repackage, dilute, tamper, or otherwise alter any Product, Product packaging, or other characteristic of the Products and shall observe all SDS, regulations, safe handling, shipping, installation, environmental operating conditions, and storage instructions provided by Hawthorne or otherwise applicable to the Products.

**Disclaimer** – AS BETWEEN HAWTHORNE AND CUSTOMER AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THESE TERMS, HAWTHORNE MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND TO CUSTOMER WITH RESPECT TO THE PRODUCTS OR TO THE QUALITY, SUITABILITY, OR ADEQUACY OF THE PRODUCTS FOR ANY PURPOSE OR USE, AND DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS TO THE EXTENT PERMITTED BY APPLICABLE LAW, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

**Product Services** - If Product Services are offered or given to Customer, such assistance or advice is given only as an accommodation to Customer. Hawthorne shall not be liable for the content of such assistance or advice or Customer’s use of such services nor shall any statement made by any of Hawthorne’s representatives in connection with the Products or Services constitute a representation or warranty, express or implied, of any kind. Customer is responsible for determining its own needs for the operation of its business and the suitability of any Products. Quotes or designs provided by Hawthorne as part of Product Services are as-is, where-is, without any warranty of any kind and Customer acknowledges that such assistance, advice, or information may be incomplete and not guaranteed to be accurate.

**Limitation of Liability** – HAWTHORNE SHALL NOT BE LIABLE TO CUSTOMER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUE, DIMINUTION IN VALUE, RECALL OR REWORK, ARISING FROM OR RELATING TO THESE TERMS, INCLUDING NON-PERFORMANCE, OR THE PRODUCTS, EVEN IF HAWTHORNE HAS NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. HAWTHORNE’S TOTAL AGGREGATE LIABILITY FOR ALL DAMAGES NOT OTHERWISE EXCLUDED IN THE PRECEDING SENTENCE AND ARISING FROM OR RELATING TO THESE TERMS, INCLUDING NON-PERFORMANCE, THE PRODUCTS, OR THE MANUFACTURER, SALE, DELIVERY, RESALE, USE OR HANDLING OF ANY PRODUCTS, WHETHER BASED IN CONTRACT, TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, OR OTHER THEORY OF LAW, SHALL NOT EXCEED THE LESSER OF (I) THE AMOUNT PAID BY CUSTOMER TO HAWTHORNE FOR THE PRODUCTS GIVING RISE TO THE CLAIM, OR (II) THE AGGREGATE AMOUNT PAID BY CUSTOMER TO HAWTHORNE FOR ALL PRODUCTS DURING THE THREE (3) MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM.

**Force Majeure** – Hawthorne shall not be liable to Customer for the non-performance of any obligation arising from any act of God, flood, fire, explosion, breakdown of plant, earthquake, strike, lockout, labor dispute, casualty or accident, or war, revolution, civil commotion, acts of public enemies, blockage or embargo, or any injunction, law, order, proclamation, regulation, ordinance, demand or requirement of any government or of any subdivision, authority or representative or any such government, inability to procure or use materials, labor, equipment, transportation, or energy sufficient to meet manufacturing needs without the necessity of allocation, or any other cause whatsoever, whether similar or dissimilar to those above enumerated, beyond the reasonable control of Hawthorne or its suppliers.

#### DELIVERY TERMS

**Delivery Terms** – Risk of loss shall transfer from Hawthorne to Customer at the time the Products are tendered at the place of delivery identified in the sales confirmation provided by Hawthorne, or if none, the purchase order submitted by Customer. Title shall transfer from Hawthorne to Customer at the same point as the transfer of risk of loss.

**Standard Freight Program** – Unless an order is eligible for Hawthorne’s pre-paid freight program, freight will be charged and payable by Customer on all orders. Freight charges will be prepaid by Hawthorne and added to Customer’s invoice. Orders will generally be shipped from Hawthorne’s distribution center that is closest to the Customer’s ship to location. Exceptions may apply as determined by Hawthorne.

**Pre-Paid Freight Program** – Freight is prepaid by Hawthorne on orders equal to or greater than \$4,500 and shipped to a destination within the continental United States of America. Certain bulky and heavy products will be excluded from Hawthorne's prepaid freight program. This will include but is not limited to soil, Hydroton®, peat, perlite, and other growing media.

**Additional Freight Charges** – Hawthorne may charge fees, as determined by Hawthorne, which will be payable by Customer for: (i) additional freight/fees on specific Products (i.e., growing media); (ii) \$15.00 hazardous material charges for the shipment of hazardous materials as identified by the Safety Data Sheet DOT section (i.e., hydrogen peroxide); and (iii) fuel surcharges. The foregoing charges may be invoiced by Hawthorne before or after delivery of the Products, including by separate invoice. Customer shall pay all such invoices upon demand or as indicated on Hawthorne's invoice.

**C.O.D. Shipment Fees** – Accounts with C.O.D. terms will be charged the fees assessed by the carrier associated with the C.O.D. shipments.

**Drop Shipment Fees** – A \$3.00 per box drop charge will be assessed on all UPS drop ship orders within the US, Puerto Rico and Canada. Minimum drop ship order size is \$15.00. Hawthorne reserves the right to approve drop ship order sizes and destinations. If incorrect or incomplete addresses provided by Customer results in additional fees charged by UPS, Customer will be charged back these fees at a flat rate of \$20.00.

**Miscellaneous Shipping Fees** – Any fees assessed by parcel or LTL carriers such as residential delivery, limited access, lift gate, signature required, redelivery, inside delivery, etc., will be the responsibility of Customer.

**Freight Damage and Shortages** – At the time of delivery, Customer is responsible for identifying any damage to the Products or shortages and noting such damage or shortage on the delivery receipt. In the event time does not permit Customer to inspect the shipment at the time of delivery, Customer must note on the delivery receipt "subject to inspection and count" or "STIC" before signing for the order. If the delivery receipt is signed as complete / undamaged and at a later point damage or shortages are found, Customer shall bear all risk and cost of damage or shortage. Claims for damage or shortages must be reported to Hawthorne within one (1) business day. Claims reported after one (1) business day shall be deemed waived by Customer. Customer shall contact Hawthorne's RMA department at 888.582.2RMA (762) with shipment and purchase order information to report a claim.

**Hawthorne's Pallets Have Hawthorne-branded Tape Rings** – All Hawthorne LTL pallets are wrapped with three rings of tape, one at the top, middle, and bottom. When receiving Hawthorne's shipment, if the rings of tape or shrink wrap are not intact, Customer is advised to inspect the whole pallet at the time of delivery.

**Customs** – For international shipments, Customer is responsible for all customs clearance, including, without limitation, securing a freight forwarder/customs broker, product classification, taxes, duties, and required export/import documents.

**Will Call** – Customers may will-call orders at Hawthorne's distribution centers with a two (2) hour notice. Business hours are 9:00 am to 5:00 pm, local time. Will-call orders not picked up within two (2) business days of order placement will be returned to stock and Customer will be invoiced for a 20% restocking fee. Customer's representatives must sign a liability waiver when picking up will-call orders. Customer shall indemnify, defend, and hold Hawthorne harmless for and against any claims for damage to personal property or personal injury arising from Customer's pick up of will-call orders.

## FINANCIAL TERMS

**Credit Line** – Customer may qualify for an unsecured line of credit upon Hawthorne's (i) acceptance of a *Account Application and Customer Agreement* and (ii) review of Customer's financial statements and other information requested by Hawthorne, which Customer shall submit to Hawthorne for the purpose of Hawthorne's evaluation of Customer's credit worthiness and the extension of credit. This information will be kept strictly confidential and used only to determine a Customer's credit worthiness. Absent a credit line extended by Hawthorne, payment terms are cash-in-advance. Strict compliance with the approved payment terms is a condition of any credit line extended by Hawthorne.

**Payment Terms** – Customer shall pay all invoices in accordance with the terms provided in such invoice.

**Application of Payments** – Payments received shall be first applied to finance charges accrued, then to costs or expenses incurred by Hawthorne that are the responsibility of Customer, then to invoices, each in descending order of due date.

**Acceptable Forms of Payment** – Customers located in the United States and Canada may pay in the form of a company check, personal check, credit card (Visa, Master Card, and American Express), ACH, or wire transfer. Customers located outside the United States and Canada must pay via wire transfer. For all checks, the name of the Customer must be preprinted on the check. No temporary checks will be accepted. All credit cards will be charged prior to order shipment. A completed credit card authorization form must be on file in order to use a credit card. For customers paying by credit card, the "Ship to Address" must match the "Bill to Address" with the exception of drop shipments. Electronic checks are made by

providing a routing number, account number, and check number. Hawthorne does not accept payment in the form of cash, money orders, traveler's checks, cashier's checks, or temporary checks.

**Change of Payment Method; Rejected Payments** – If an order is purchased under a line of credit provided by Hawthorne, any credit card payment for such order will be subject to a 2% service fee. If an ACH payment fails for non-sufficient funds, any ACH discount will be forfeited. A \$40.00 service fee will be assessed for any rejection or return for non-sufficient funds to be drawn by ACH or checks. In the event of any form of payment being declined, Hawthorne may charge another form of payment listed on the Customer's account or used by Customer in connection with any prior payment.

**Change in Terms** – Hawthorne shall have the right to at any time and from time to time and with or without notice for any reason (i) place Customer on "Stop Ship" or "C.O.D.", (ii) change payment terms and the amount of any credit line granted by Hawthorne, (iii) require a particular form and timing for payment for certain orders, including cash in advance by wire transfer for international orders, and (iv) require a non-refundable deposit for any order.

**Past Due Accounts; Collections** – A 1.5% per month finance charge, or the highest rate allowed by law, shall be assessed for all invoices over thirty (30) days past due. Customer shall have a fifteen (15) day grace period after the expiration of the thirty (30) day time period to make full payment. If the grace period expires (e.g. 45 days after the invoice due date elapses) without receipt of payment, finance charges will accrue as of the 31<sup>st</sup> day after the invoice due date. Accounts with balances aged over ninety (90) days may be turned over for collection by a third party collection agency. All costs expenses of collection of unpaid invoices, any default of Customer, or other obligation owed to Hawthorne, including attorney's fees incurred by Hawthorne before trial, at trial, and on any appeal and including any fees incurred in any bankruptcy proceeding, shall be the responsibility and added to the balance due and owing.

**Releasing Orders** – Orders placed under accounts with past due balances will be held until the account becomes current even if the account is under the established credit limit. Payments must be received by Hawthorne in order for held orders to be released. Verbal assurances the check has been sent are not sufficient for orders to be released. In this situation, payment may be made via check by email/fax, wire transfer or credit card to expedite the shipment.

**Disputed Amounts** – In the event Customer disputes a charge on an invoice, full payment must be made on the undisputed amount. Customer may not withhold the entire payment amount because of disputed amounts. Any invoice paid short must include memo detailing the specific reason and justification for the short payment. Hawthorne and Customer will work in good faith to resolve any disputes within thirty (30) days. Disputes not resolved in thirty (30) days and remaining unpaid shall be deemed to be past due and owing.

**Further Assurances** – If Hawthorne believes Customer will not fulfill its obligations under any purchase order or these Terms, Hawthorne may suspend performance until Customer provides Hawthorne with adequate assurances or additional security of performance acceptable to Hawthorne.

**Security Interest** – Products delivered by Hawthorne but not paid in full remain the collateral of Hawthorne until full payment has been received from Customer. Customer grants Hawthorne a security interest in such Products and consents to Hawthorne causing the filing of financing statement and notifications to other creditors in connection with perfecting such security interest under applicable law. Hawthorne reserves the right to remove or repossess Products from Customer's locations if Customer fails to remit timely payment to Hawthorne.

## WARRANTY TERMS

**Manufacturer Product Warranty** – Hawthorne shall pass through to Customer all product warranties, if any, for the Exclusive Products and Non-Exclusive Products provided by the third party manufacturer that are capable of transfer and which Hawthorne has the right to make a claim (each a "Manufacturer Product Warranty"); provided, however, Hawthorne is not responsible for any such Manufacturer Product Warranty, costs of shipping or return, any service or remedies under such Manufacturer Product Warranty, if any, or any warranty claim not honored by the third party manufacturer. Customer is advised to consult the manufacturer's literature or packaging for specific information and coverage of any Manufacturer Product Warranty, which will vary by product type, and is the sole and exclusive remedy of Customer with respect to defective Exclusive Products and Non-Exclusive Products. Exclusive Products and Non-Exclusive Products that are defective and not covered by a Manufacturer Product Warranty are not returnable to Hawthorne for credit or refund. If Hawthorne elects to do so, Customer's warranty claim under any Manufacturer Product Warranty may be satisfied by Hawthorne on the third party manufacturer's behalf by the repair or replacement of the warranted Product or issuance of a non-refundable credit memo to be applied to any current or future invoices due and owing to Hawthorne; provided, that, upon Hawthorne's request and as a condition of such remedy, Customer shall obtain and assign, in a form acceptable to Hawthorne, all rights to such warranty claim to Hawthorne. If the third party manufacturer ceases operations, the Manufacturer Product Warranty shall be null and void. If for any reason Hawthorne discontinues distribution of an Exclusive Product or Non-Exclusive Product, all warranty claims under the applicable Manufacturer Product Warranty shall be tendered by Customer directly to the third party manufacturer.

**Hawthorne Product Warranty** – Hawthorne may, but is not required to, provide a product warranty to the end-consumer of certain Signature



Line Products that are purchased from an Authorized Dealer, Authorized Installer, or an Authorized Wholesaler, or directly from Hawthorne (each a "Hawthorne Product Warranty"). Each Hawthorne Product Warranty covering a Signature Line Product is included with such Product and/or available on Hawthorne's website. The Hawthorne Product Warranty, if any, will vary by product type and brand and is, as between Hawthorne and the end-consumer, in lieu of all other warranties, expressed or implied, including the warranties of merchantability and fitness for use and of all other obligations or liabilities on the part of Hawthorne. Customer (if an Authorized Dealer, Authorized Installer, or Authorized Wholesaler) shall accept the return of all Signature Line Products sold by such Customer as an Authorized Dealer, Authorized Installer, or Authorized Wholesaler to an end-consumer and which are covered by, in Hawthorne's determination, a Hawthorne Product Warranty. Customer (if an Authorized Dealer, Authorized Installer, or Authorized Wholesaler) shall be responsible for administering all warranty claims in accordance with the terms of the Hawthorne Product Warranty, if any, and as directed by Hawthorne with respect to Signature Line Products sold by such Customer. Hawthorne shall only be responsible for the remedies provided by the applicable Hawthorne Product Warranty, if any, during the warranty period. Hawthorne is not responsible for labor, materials, travel time, equipment, or other costs incurred or required to uninstall and/or reinstall warranted Signature Line Product. Hawthorne is not responsible for shipping or internal costs incurred by Customer (as an Authorized Dealer, Authorized Installer, or Authorized Wholesaler) in the course of administering any warranty claim on behalf of Hawthorne. Signature Line Products returned to Hawthorne (or deducted off Hawthorne's invoice) by Customer, that are determined by Hawthorne not to be covered by a Hawthorne Product Warranty shall be the responsibility of Customer and no replacement product, repair, or credit shall be due to Customer from Hawthorne. Customer (if an Authorized Dealer, Authorized Installer, or Authorized Wholesaler) shall collect, maintain, and provide to Hawthorne all supporting documentation related to all claims submitted under a Hawthorne Product Warranty and reasonably assist Hawthorne in the determination and investigation of any claim. If Customer is a Commercial Producer who purchased a warranted Signature Line Product directly from Hawthorne, Customer shall have the benefits provide to the end-consumer under the applicable Hawthorne Product Warranty, if any.

**Return of Warranted Products** – Customer is advised that Manufacturer Product Warranties and Hawthorne Product Warranties do not cover Products damaged by accident, abuse, misuse, modification, negligence, alteration or misapplication. Products damaged as a result of the foregoing or not purchased from Hawthorne may not be returned to Hawthorne for any reason. Prior to returning Products under a warranty claim, Customer shall (i) verify the Products are still within the applicable warranty period, (ii) test the Products to confirm the defect is covered by the applicable warranty, (iii) document the described defect, and (iv) obtain a RMA confirmation listing the defective Product to be returned. If Hawthorne determines a Product is not covered by an applicable Manufacturer Product Warranty or Hawthorne Product Warranty, Hawthorne shall inform Customer. Products not covered by an applicable Manufacturer Product Warranty or Hawthorne Product Warranty shall be destroyed or returned to Customer at Customer's election and expense, which Customer shall pay to Hawthorne upon demand.

**Return Policy** - Hawthorne will only accept the return of a Product that is (i) in new, unused, and resalable condition, (ii) in original packaging (free of writing or marking), (iii) the current model of such Product and less than three months old, (iv) currently stocked and offered for sale by Hawthorne, and (v) listed on an RMA Authorization issued by Hawthorne for such Product that is included with the return shipment as a packing slip. Products discontinued or closed out are not eligible for return. Customer must use over wrap boxes for shipping Products to Hawthorne and must prepay the freight at Customer's expense. If Products are received by Hawthorne in a condition other than what is described above, without an RMA Authorization, or the Products are damaged in shipment, Hawthorne shall not be obligated to provide Customer with any credit and the Product will be returned or destroyed at Customer's expense which shall be invoiced and paid by Customer upon Hawthorne's demand. Hawthorne will provide Customer a credit for the Products received by Hawthorne in compliance with the above equal to the net price paid for such Products by Customer, less a 20% restocking fee, which shall be applied to Customer's account. Unless otherwise agreed by Hawthorne, the credit shall be non-refundable and applied to future purchases or amounts due on Customer's account.

**Return Merchandise Authorization** – Customer may obtain a RMA confirmation by contacting Hawthorne through one of the following methods: (i) the RMA Hotline phone number at 888.582.2RMA(762) in the United States or 844-200-4769 in Canada, (ii) email at RMA@HawthorneGC.com, (iii) fax at (360) 918-9696, or (iv) visiting the RMA web page which is available to eligible Customers on the login portion of Hawthorne's web site by clicking on the "My Account" drop down menu at the top of the home page and navigating to "RMA Info & Requests" where a RMA Request may be completed online. Hawthorne's RMA Hotline is available to answer technical questions, troubleshoot product challenges, help expedite the return/repair process, and/or potentially eliminate a return/repair altogether. Products returned to Hawthorne must include the RMA confirmation as a packing slip, or Hawthorne will reject the shipment. Customer is responsible for using appropriate packaging material in order to ship the Product safely back to Hawthorne. Customer shall not ship any broken glass or Products in a similar hazardous condition. Any Product damaged in return transit to Hawthorne will be the responsibility of Customer and not accepted by Hawthorne for return even if an RMA confirmation has previously been issued.

#### MISCELLANEOUS TERMS

**Governing Jurisdiction** – The "Governing Jurisdiction" shall be: the province of Ontario, Canada where Customer's ship to address is located in Canada, or (ii) in all other cases, the State of Ohio, United States of America. The parties agree that the federal and provincial/state/local laws prevailing in the Governing Jurisdiction, except for any conflict of laws provisions that would result in the application of the laws of another jurisdiction, shall be used for the interpretation of a party's rights and obligations and the resolution of any issues, claims, disputes, or actions between Customer and Hawthorne. The *United Nations Convention on Contracts for the International Sale of Goods* shall not apply to the purchase or sale of Products. Any action between the parties shall be brought and maintained exclusively in any competent court sitting in the Governing

Jurisdiction and the parties hereby submit to the jurisdiction of such court for such purpose.

**Compliance with Laws** – Customer shall comply with all federal, provincial, state, and local laws and regulations applicable to its operation and the resale and/or use of the Products, including, without limitation, maintaining all licenses and permits in good standing with the relevant governmental authority.

**Severability** – In the event any provision herein is adjudged to be unenforceable, the offending provision shall be severed or construed by the court to effectuate the parties' intent. The remaining provisions herein shall remain in full force and effect.

**Assignment** – Hawthorne may assign any right and delegate any obligation related to these Terms with or without notice or consent of Customer, including any purchase order accepted by Hawthorne. Customer may not assign any right or delegate any obligation related to these Terms without the written consent of Hawthorne.

**English Language** – It is the express wish of the parties that these Terms and all related documents, including notices and other communications, be drawn up in the English language only.

*Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant, y compris les avis et les autres communications, soient rédigés et signés en anglais seulement.*

\*\*\*

United States [www.hawthornegc.com/page/terms-and-conditions](http://www.hawthornegc.com/page/terms-and-conditions) | Canada [www.hawthornegc.ca/page/terms-and-conditions](http://www.hawthornegc.ca/page/terms-and-conditions)