



THE VALDEZ CORPORATION
SPECIALIZING IN CUSTOM BLENDING AND PACKAGING OF
SPICES AND SEASONINGS

Dear Customer,

Thank you for your interest in The Valdez Corporation. We are pleased that you have chosen our company as a potential supplier for your custom blending and seasoning needs.

We are including our Customer Information Packet for your review, which explains our Terms and Conditions and the process of doing business with our company.

Please review this information and contact us for any further clarification if needed. Thank you again for your interest in our company.

Kindest Regards,

Mike Hanks
President

Working Together

1. As a new customer of The Valdez Corporation (Valdez Spice), we will need a completed W-9 form showing your Tax ID number and whether you are a corporation, partnership, or sole proprietor.
2. An appointment to visit our facility can be set up, or one of our representatives can visit your company. We will be happy to work with you by phone or email. A sales representative may be assigned to your account.
3. Please let us know in advance of our initial meeting if you will require any particular information, such as a Continuing Product Guarantee, a Non-Disclosure Agreement, etc.
4. Any sample requests will be shipped to you at a later date.
5. The product scope will be determined and categorized a house development, customer's existing/proprietary recipe, or matching (duplicating an existing seasoning). If you would like a match, we will need the following information about each product: a sample of the blend, the name of the manufacturer, the ingredient statement located on the package, and the usage instructions if applicable. If you do not have these, we will require additional time to complete the project. Please refer to the Custom Blending Program section for more information.
6. Sample Request Forms will be filled out for each product you are requesting. Please provide as much information as possible about the product(s) you want formulated. Information to help us formulate includes the product application, processes including cooking times and temperatures, equipment used, holding times and temperatures, special certifications such as Kosher, or any health claims, etc. you will require. We may ask for written clarification of your requested needs.
7. After samples are approved, we finalize the packaging requirements. We pack in bulk cases, portion packed sizes specific to your finished recipe size, and in assorted foodservice and retail jars. We do not use any type of glass packaging. Any special printing on boxes or containers, or any pre-printed and multicolor labels are your responsibility. Valdez provides a generic foodservice label only.
8. We can accommodate a limited range of retail packaging, from form and fill packages to bottle lines. Minimum bulk orders start at **250 pounds** and minimum orders for form, fill, and seal portion packages is 5000 units. Minimum Kosher runs will be determined based on projected volumes. All minimums are subject to higher volumes depending on vendor minimum orders of raw materials. Any preprinted bags, boxes, jars, safety seals or literature are customer's responsibility to provide. Any special packaging material, not customary as a Valdez Stock Packaging Material, is the customer's responsibility to provide.
9. Once the package size is determined and agreed upon, we will provide pricing information and technical information as needed.
10. Customers who provide their ingredients must provide all documents corresponding with the ingredient(s). All technical data sheet(s) must be maintained up to date.
11. In the event of a recall, customers must respond immediately and return all proper documentation to cooperate with The Valdez Corporation and FDA.
12. There may be some potential health risks with consuming certain items raw and it is the responsibility of the consumer to cook or further process these items unless the consumer is otherwise indicated.
13. For companies who are in the start-up phase, or are new the industry, a one-time, \$1000 start-up fee will be required prior to any lab work pertaining to product formulation and/or matching projects. \$500 of that fee will be applied to your account upon the first order of the product. The order must be placed within 6 months of payment, or the refund will not be applied. There

is a limit of 10 samples maximum. If 10 samples are reached prior to the first order, the customer will not receive a credit of \$500 or their money back. This may be subject to change depending on the circumstance.

Nutritional charges are separate fees. Once you are an established customer, this fee does not apply. The Valdez Corporation reserves the right to enforce this fee for any customer, when the project seems fit. This fee is only valid for one year. If there are any questions regarding this matter, please contact Monica Tomlinson.

Terms & Conditions

OFFICE HOURS:

Monday - Friday from 8:00 am to 5:00 pm (Central Standard Time). We are closed for lunch from 12:00 pm to 1:00 pm. Meetings are by appointment only.

WAREHOUSE HOURS:

Monday - Friday from 7:00 am to 5:00 pm. Closed for lunch from 12:00 pm to 1:00 p.m. Please schedule pick-ups with considerable time in advance to plan for our closings at noon and at the end of each day. Pick-ups are first come first serve. Due to space limitations, we cannot store back stock or excess inventory for customers.

PRICING:

Pricing is subject to change without prior notice and will be provided only after all packaging and samples have been approved.

ORDERING:

You can call, fax, or email your orders. FAX (972) 242-6920, Customer Service (800) 872-7811 or (972) 242-8580, or Email orders@hanksbrokerage.com

LEAD-TIME:

Minimum 10-15 working days after the date of order or longer depending on availability of supplies and quantities ordered. First-time and new blend orders could take longer, please ask for an approximate ship date.

TERMS:

All orders are cash or credit card in advance until credit has been approved. Once approved, terms are Net 10 days from the date of invoice. Please note: The Valdez Corporation cannot be responsible for the time it takes to collect credit information from your references, these terms remain solely with your company and payment is required within these terms. If an account is 60 days past due, future orders will require payment in advance. Finance charges are accrued at the rate of 1.5% monthly on all past due balances.

PAYMENTS:

We accept MC, VISA, Cash, Checks, Cashier's Checks, or Money Orders. Payments are due to our offices at:

The Valdez Corporation
13951 Senlac Drive, Suite 100
Dallas, TX 75234

RETURNED CHECK POLICY:

Any Check returned to our bank "N.S.F." will be re-deposited. If the returned check is returned a second time, we will notify you and arrange to collect the invoice and bank fee amounts at the customers' expense plus a **\$30.00** service charge. If returned checks occur three times, you will automatically be placed on "pay in advance" status and payment in the form of a money order, cash, credit card or cashier's check will be required on future orders.

MINIMUM ORDERS:

A **250 pound minimum order** is required on all blended items with the exception of customized blends requiring **non-stock materials**, which may require larger minimum orders. Please refer to our **non-stock materials** section of our terms and conditions for more information. Orders under our minimum will be considered and a new price may be quoted.

Retail Jars & Portion Packs: 250 pound minimum order.

Form, Fill, and Seal (FFS) Portion Packs: a minimum of 5000 units must be ordered to run the FFS machines.

Please Note: We cannot accommodate orders for less than the specified minimum once the minimum has been established.

RUSH ORDERS:

A \$25.00 (Raw Ingredient or Stock Item) and a \$100 (Blended Items) expediting fee will be added to each invoice for orders needed as "RUSH" or "HOT RUSH". (Orders requiring completion earlier than the normal lead time).

ORDER CANCELATIONS:

If you need to cancel an order, please call immediately. If your order has not yet been processed, the cancellation will be honored. Any costs incurred will be charged back to the customer, including specialty ingredients.

COMPLAINTS & RETURNS:

Please notify Customer Service with all complaints and return issues. An evaluation will take place. When a complaint is found justified, arrangement for product return or disposal will be issued to you on a Return Authorization Form. Please do not return product to us or destroy product without this authorization.

RESTOCKING FEE:

Returned product may be subject to a restocking fee of 25% of the total invoice price, plus freight if found justified.

FREIGHT:

All shipments are F.O.B. our warehouse in Dallas, Texas 75234. We do not sell on consignment. We are not responsible for shortages or damages once your order leaves our dock. If shipments do not arrive exactly as shown on the Bill of Lading, please refer to our Complaints & Returns section. For collect or third party billings, make your claim with the freight carrier. **No deductions should be made from our invoice for freight loss without proper authorization and communication with us.**

SHIPPING & HANDLING:

Orders requiring special packaging for shipping purposes such as reinforced boxes, double bagging, and master casing will incur an additional charge to compensate for the costs incurred. Dock door is closed from 12:00 - 1:00pm.

SAMPLING:

We provide a 4-8 ounce sample to our customers or a standard portion size. If a larger sample is required; there may be a minimum charge to compensate for ingredients, shipping, and labor. Overnight shipments and courier services may be charged directly to customers' freight account. Once the sample is approved it is your responsibility to purchase the minimum order quantity to supply samples to your customers and/or for test-marketing your product.

NON-STOCK MATERIALS:

Any non-stock inventory materials purchased and used in your blends will require confirmation by our QA Department. This includes vendor approval. A new minimum order quantity may be determined or customer may be asked to supply the ingredient.

KOSHER REQUIREMENT:

Kosher Certification on products we manufacture is available by lot number upon request. Each formulation will be evaluated to ensure it is suitable for Kosherization. **An additional charge will be added to all Kosher products.**

LABORATORY TESTING:

Nutritional Analysis can be provided for every spice blend we produce.

Fees per Nutrition Panel:

\$ 0.00 100g (no charge)

\$ 50.00 ¼ tsp. (topical applications)

For all nutrition panels, please provide your complete recipe and instructions to calculate servings per container.

Shelf Life Testing of customer's finished product is the responsibility of the customer.

Certificates of Analysis are provided for sodium and sensory analysis only. If microbiological testing is required, testing will be performed by an outside laboratory at customers' expense. Customer must place request for COA service upon ordering. Please note that this may add several days to your lead-time.

FOOD SAFETY & QUALITY:

We function under a Food Safety and Quality program that includes an annual third party Food Safety Audit and Inspection. We are currently SQF Level 2 certified and are working towards our level 3 certification. Monthly internal inspections are also conducted by our Food Safety Team. A mock recall is conducted annually.

RECALL NUMBER:

USE FOR PRODUCT RECALL ONLY

Primary (214) 355-7070

Secondary (817) 219-8315

TOURING THE FACILITY:

A tour of our facility is by approval only. You will be escorted by a representative of our company and be expected to sign a Non-Disclosure Form, and to follow pre-established Good Manufacturing Practices.

HOLIDAY CLOSINGS:

We are closed during the following holidays and may have early closings on the day before each of these: New Year's Day, Memorial Day, Independence Day (July 4th), Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Day, a half day on Christmas Eve and half day on New Year's Eve.

Bioterrorism Procedures & Precautions

1. The Valdez Corporation is an FDA registered food manufacturing facility.
2. All incoming materials are inspected for seal integrity, any evidence of tampering, and overall appearance.
3. All finished goods are lot coded, monitored for quality control, and evaluated by Quality Assurance personnel.
4. All incoming and outgoing trailers and other shipping vehicles are inspected for any unusual or suspicious conditions.
5. All entrances and exits of the facility are monitored by closed circuit video surveillance. Direct entrances to the facility are locked at all times and all visitors must sign in prior to visitation and check out after visitation.
6. All employees are trained to question and report any suspicious activity in the plant or on company grounds.
7. These precautions are taken to assure the safety and security of our facility and products.

Custom Blending Program

IN-HOUSE/STOCK BLENDS:

Pre-existing seasoning blends available for use by customers and cannot be designated as specific to one customer. These formulas remain solely the property of The Valdez Corporation. These blends are also available to customers to modify as needed to suit desired flavor profiles. Any changes made to house blends will remain solely the property of The Valdez Corporation.

SPECIAL DEVELOPMENTS:

Formulas developed by The Valdez Corporation to suit the individual customers' needs and/or are developed for special applications. Any formulation developed by The Valdez Corporation remains solely the property of The Valdez Corporation.

PROPRIETARY/PERSONAL BLENDS:

Formulations provided by the customer. Alterations and changes made by The Valdez Corporation at the customer's request remain solely the property of the customer. If research and testing are required by The Valdez Corporation to achieve the final product, only the original formulation will remain proprietary to the customer. To obtain a full formulation, there will be a \$1500 charge. This fee covers up to five hours of lab time. Should the project require additional hours of lab time, a charge of \$100/hour will be applied. For further explanation, please contact Monica Tomlinson (mtomlinson@valdezspice.com or 972-242-7660).

Customer Requirements

1. Your business must be registered with the FDA. For more information and directions on how to Register, go to: www.FDA.gov/furls
 - a. Please see link for Food Manufacturing License. <http://www.gotexan.org/Portals/1/doc/pdf/DSHS%20Flier.pdf>
2. You must be able to list The Valdez Corporation as "Additional Insured" on your liability insurance.
3. Please let us know if you will require any of the following before we begin work on your project:
 - Pallet Configuration Information
 - Kosher Certification
 - Certificate of Analysis
 - Special shipping considerations or distribution methods
 - GMO – Free Product
 - Nutrition Information
 - Allergen Free Product
 - MSG Free Product



These Terms and Conditions supersede all prior Terms and Conditions.

Please read the following, sign, and return this page to The Valdez Corporation.

I _____ , state that I have read the New Customer Handbook of The Valdez
(Print Name)
Corporation and agree that _____ will comply with all of the terms
(Print Company Name)
and conditions listed therein.

I _____ , state that I have read the New Customer Handbook of The Valdez
(Print Name)
Corporation and DO NOT agree that _____
(Print Company Name)
will comply with all of the terms and conditions listed therein.

Sign Name

Date