

Inspection Equipment Proposal



Heat and Control, Inc.

187 West Airport Road
Lititz, PA 17543-9998 USA
Telephone: 717-519-5240
800-648-5313
Facsimile 717-519-5260
www.heatandcontrol.com

Date: November 17, 2021

Proposal: 32118461, Revision 1

Subject: Ishida X-ray

Proposed To: Big Sandy Organics
275 Montana Ave W
Big Sandy, MT 59520
Attn: Thomas Dilworth

End User: Big Sandy Organics, Big Sandy, MT



Local Representative

Bill Scott
R.L. Scott and Associates
208-867-1039
bill@rlscottinc.com

Regional Sales Manager

Emmil Gaucher
Heat and Control, Inc.
480-432-4843
Emmilg@HeatandControl.com

Application Engineer

Justin Retallack
Heat and Control, Inc.
717-560-8635
justinr@HeatandControl.com

Corporate Office
Heat and Control, Inc.
21121 Cabot Blvd
Hayward, CA
94545-1132 USA
Telephone 510-259-0500
Facsimile 510-259-0600

Customer: Big Sandy Organics
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Heat and Control

The Right Choice

Heat and Control is a world-leading equipment manufacturer serving an ever-growing list of food and non-food industries. We believe that when you purchase equipment from Heat and Control, you are joining us in a long-term relationship. In addition to the latest technology and highest quality equipment for processing, product handling, packaging, and inspections, we are committed to providing the industry's best service – before and after the sale. To this end, we support you with equipment demonstrations, engineering and application assistance, project management, installation, training, prompt expert service, and parts support wherever your plant is located.

With manufacturing facilities and sales support offices worldwide, Heat and Control has the resources and expertise to develop the most efficient solutions for your production challenges. Our equipment operates around the clock, around the world, providing the advantages you need to succeed in today's competitive markets. Whether you need one machine or a complete line, we design and build machinery that delivers the most reliable and efficient performance for your products.

As a privately owned and operated company for 70 years, we also understand that it takes quality products, continued improvement, and responsive expert service to ensure continued growth for your business. Heat and Control is here to serve you on all counts. Thank you for considering our equipment offer – we look forward to working with you on this project and for years to come!

Proposal History:

Date:	Revision:
11/11/2021	Original proposal submitted
11/17/2021	Updated the quote to quote an inventory IX-EN-2493 and provide two (2) reject conveyor options

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ISHIDA X-RAY DESCRIPTION:

X-RAY MODEL: IX-EN-2493

- ♦ Compliance with FDA Title 21 CFR 1020.40 for cabinet x-ray systems
- ♦ 304 stainless-steel construction, conveyor and inspection area conforms to IP66 specifications, the control conforms to IP54 specifications
- ♦ ETL/cETL approved construction
- ♦ Aperture size: 240 mm (9.4") W x 150 mm (5.9") H
- ♦ Conveyor belt dimensions: 800 mm (31.5") L x 270 mm (10.6") W
- ♦ Variable speed, brushless DC drive motor (10-60 m/min)
- ♦ Maximum conveyor load weight: 5 kg
- ♦ Glass x-ray generation tube with user settable power up to 150 w (30-75 kv x 1-3 mA)
- ♦ The line sensor features 0.4 mm diode pitch providing superior detection of small contaminants with no line sensor calibration required
- ♦ Ishida developed, 5-level image processing software to detect a wide range of contaminant sizes and various densities, including 2 Genetic Algorithm (GA) image processing levels for difficult-to-detect contaminants and includes a library of common GA settings
- ♦ Other functions include weight estimation and detection of missing or broken products
- ♦ Heat sink cooled electrical cabinet
- ♦ **User-friendly operator control with:**
 - ♦ 15" color touch screen
 - ♦ 200 "preset" product programs
 - ♦ Complete statistics package with image storage of the last 200 "no good" products and ability to view during production
 - ♦ Fully automatic product setup
 - ♦ Masking functions for perimeter, pattern, and contrast
 - ♦ USB port to export NG images and data
 - ♦ Test mode for quality assurance checks
- ♦ Belt Height: 700 mm to 900 mm \pm 50 mm (27.6"-35.4"), please specify your requirement
- ♦ System Orientation: Left to Right or Right to Left, please specify your requirement
- ♦ Electrical Requirements: 208/220/230/240 VAC / 1 PH / 60 HZ
- ♦ X-ray emissions of 1 micro Sv/h or less

X-RAY PRICE: \$ 45,200.00

(F.O.B Destination, Freight Prepay and Add)

NOTE: Registration of cabinet x-ray with the state where installed is the user's responsibility

NOTE: This unit is in stock and available on a first-come, first-served basis

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ISHIDA REJECT CONVEYOR OPTION – FACTORY ORDER:

REJECT CONVEYOR MODEL: RE-015-J2-2/SS-A

- ♦ IP30, stainless steel non-washdown construction
- ♦ 450 mm (17.7") L x 240 mm (9.4") W standalone reject conveyor
- ♦ 24 mm (0.94") roller diameter
- ♦ 24 VDC drive motor
- ♦ One touch locking mechanism securely fastens the conveyors for production while still allowing them to be removed without tools
- ♦ One (1) air jet reject device
- ♦ Air requirement: 90 psi
- ♦ Reject Direction: When facing the control panel product will be rejected toward the operator or away from the operator. To be confirmed at time of order.

NOTE: *This unit would be a factory order and has a lead-time of 16-18 weeks.*

REJECT PRICE: \$ 2,950.00

(F.O.B Destination, Freight Prepay and Add)

ISHIDA REJECT CONVEYOR OPTION – FACTORY ORDER:

REJECT CONVEYOR MODEL: RE-015-J2-1/CR-A

- ♦ IP69k, stainless steel washdown construction
- ♦ 350 mm (13.7") L x 160 mm (6.3") W standalone reject conveyor
- ♦ 18 mm (0.71") roller diameter
- ♦ 24 VDC drive motor
- ♦ One touch locking mechanism securely fastens the conveyors for production while still allowing them to be removed without tools
- ♦ One (1) air jet reject device
- ♦ Air requirement: 90 psi
- ♦ Reject Direction: When facing the control panel product will be rejected toward the operator or away from the operator. To be confirmed at time of order

NOTE: *This unit is in stock and available on a first-come, first-served basis*

REJECT PRICE: \$ 5,000.00

(F.O.B Destination, Freight Prepay and Add)

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ISHIDA OPTIONS:

STAINLESS STEEL CURTAIN

- ♦ SUS curtain with 1 joint & conveyor guide
- ♦ Factory order – 7-8 week lead-time
- ♦ Stainless steel curtains are required for smaller bags

NOTE: This item would be a factory order and has a lead-time of 7-8 weeks.

TOTAL PRICE: \$ 2,400.00

PRODUCT SPECIFICATIONS

Product Description: Bagged Kamut

Item	Weight	Length	Width	Height	Speed	Product Pitch	Upstream Conveyor Speed
A	8 oz.	9"	6"	2.5"	50 ppm	TBD	TBD
B	8 oz.	9"	6"	2.5"	50 ppm	TBD	TBD
C*	1.4 oz.	7"	3"	.5"	50 ppm	TBD	TBD
D*	1.4 oz.	7"	3"	.5"	50 ppm	TBD	TBD
E*	.5 oz.	4"	3"	.5"	50 ppm	TBD	TBD
F*	.5 oz.	4"	3"	.5"	50 ppm	TBD	TBD

Item	Stainless Steel Ball	Quartz Ball	Ceramic Ball
A	0.7 mm	4.0 mm	3.0 mm
B	0.7 mm	4.0 mm	3.0 mm
C*	0.6 mm	3.0 mm	3.0 mm
D*	0.7 mm	3.0 mm	3.0 mm
E*	0.6 mm	3.0 mm	2.0 mm
F*	0.6 mm	2.0 mm	2.0 mm

- Notes:
- * Length is defined as the measurement parallel to product flow.
 - * Sensitivity shown is an estimate only and not a guarantee of system performance. In most cases, Heat and Control, Inc. can review/guarantee performance upon receipt and testing of actual product samples.
 - * For optimal performance it is the user's responsibility to install the x-ray in an environment free of electrical/mechanical noise and vibration.
 - * Pitch is defined as the measurement from leading edge of one package to the leading edge of another package.
 - * Additional products sent for testing added to product specifications table.

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PURCHASER'S SPECIFICATIONS/STANDARDS

All Heat and Control, Inc. supplied equipment is designed to meet or exceed generally accepted equipment standards for Purchaser's industry. If Purchaser requires specially designed machinery to meet mandated corporate specifications, Heat and Control, Inc. will need time to review these specifications before confirming price or delivery. Unless stated otherwise, equipment in this proposal does not necessarily meet Purchaser's corporate specifications.

Unless specifically stated in this proposal, equipment is not UL (or cUL) labeled, does not meet NSF/3-A standards for meat and poultry equipment, and does not meet 3-A standards for dairy equipment.

REGULATORY COMPLIANCE

All Heat and Control, Inc. supplied equipment is manufactured to meet Heat and Control's interpretation of applicable OSHA standards and NEC (National Electric Code). Many items have been certified for compliance with various regulatory agencies. Compliance with federal, local, state, provincial, and/or emission or electrical regulations remains the responsibility of the Purchaser and is not warranted by Heat and Control, Inc.

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SHIPMENT/TERMS OF PAYMENT:

Shipment to the Buyer from the Heat and Control Factory or some pre-designated U.S. Port of Entry is estimated at 16-18* weeks for a factory order and 2-4 weeks for an inventory order (but shall be confirmed after receipt of a firm order, down payment, and return of Heat and Control's Purchase Order receipt confirmation/clarification document). Equipment will be shipped freight collect unless alternate shipping arrangements are agreed to by both parties at time of order. Customer should identify preferred shipper at time of order. *Should Purchaser delay shipment of equipment for more than sixty (60) days beyond contracted/agreed shipment date, monthly storage fees may apply.*

*Heat and Control is working to minimize any impact to our quoted deliveries during the COVID-19 pandemic. That said, global supply chain and logistics limitations may result in unforeseen/uncontrollable delays outside of our control. Heat and Control would confirm current delivery at time of order and communicate any potential details to that delivery throughout project.

Terms noted are contingent upon Heat and Control credit approval at time of order.

Payment Terms for Factory Orders:

- 40% Down payment due with order
- 50% Due prior to shipment
- 10% Due thirty (30) days after shipment

Payment Terms for Inventory Orders:

- 90% Down payment due with order
- 10% Due thirty (30) days after shipment

Sales tax, if applicable, will be billed upon final invoice.

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INSTALLATION SERVICE:

A Heat and Control Service Representative can be provided for installation, supervision, start-up, and training. A two (2) week notice for installation is required. The Service Representative's time (8 hours minimum), per attached Heat and Control Service Rates PDSR-MF-15-USA, along with travel expenses and a per diem charge of \$200.00 to cover living expenses, will be invoiced to the Buyer.

It is the Buyer's obligation to have the equipment in place, utilities brought to the machine(s), product available, and the packaging machine(s) ready to operate when the Service Representative arrives at the Buyer's plant. Time required of the Service Representative due to problems or delays not related to the Heat and Control supplied machinery, or at the request of the Buyer, will be charged to the Buyer.

This proposal is valid for a period of sixty (60) days

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ORDER ACKNOWLEDGEMENT

ORDERDATE: _____

P.O. NUMBER: _____

TOTAL ORDER AMOUNT: _____

SHIPPING/INCOTERMS: EX WORKS, FREIGHT COLLECT _____

BILL TO ADDRESS: _____

SHIP TO ADDRESS: _____

END USER ADDRESS: _____

E-MAIL ADDRESS FOR INVOICES (IF APPLICABLE): _____

TECHNICAL DETAILS:

MAIN POWER: _____

115 VAC (100-120 VAC) 1 PH input, 230 VAC 3 PH output - .37kW (.5hp) motor

-OR-

230 VAC (200-240 VAC) 1 PH input, 230 VAC 3 PH output - .75kw (1hp) motor

120 or 240 VAC, 60 Hz, 1 PH

208/220/230/240 VAC, 1 PH, 60 HZ

BELT HEIGHT: _____

750-900 mm \pm 50 mm (29.5"-35.4" \pm 2") / 950-1100 mm \pm 50 mm (35.4"-43.3" \pm 2")

875 mm + 75mm (34.4" + 3")

SYSTEM ORIENTATION: _____

When facing the control panel, product will be transported from Left to Right or Right to Left

REJECT DIRECTION: _____

When facing the control panel, product can be rejected toward the operator or away from the operator

PRINT NAME: _____

SIGNATURE: _____

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FIELD SERVICE RATES (DOMESTIC)

1.1 RATES

HOURLY SERVICE RATES:		HOURLY RATE	MINIMUM CHARGE
Straight Time	Monday - Friday	\$ 140.00	\$ 1,120.00
	8:00 am – 5:00 pm		
Overtime	Over 8 Hours M-F	\$ 210.00	
	Hours Outside 8:00 – 5:00	\$ 210.00	
Weekend/Holiday	Saturday	\$ 210.00	\$ 1,120.00
	Sunday and Holidays	\$ 280.00	
	Saturdays, Sundays or		
	Holidays Not Worked		
Travel Time	Weekdays	\$ 90.00	
	Saturday	\$ 180.00	
	Sunday/Holiday	\$ 240.00	

1.2 EXPENSES

1.2.1	TRANSPORTATION	
	Airfare, auto rental, taxi, tolls, fuel, etc.	Actual Cost
1.2.2	LIVING EXPENSES	
	Per Diem for room, board and incidentals for all days required on service trip	\$200.00/day

1.3 HOLIDAYS DEFINED

- 1.3.1 UNITED STATES:
New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day Following Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve.
- 1.3.2 FOREIGN HOLIDAYS
National Holidays of Foreign Countries are straight time days and minimum daily charge will be invoiced, except if it falls on a U.S. Holiday.

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TERMS AND CONDITIONS OF SALE

1. PRICE

- (a) The price quoted is F.O.B. HAYWARD, CA, unless stated otherwise in this proposal, and remains in force for thirty (30) days after the date of this proposal. The price quoted is based on the specifications herewith. Any changes in the equipment necessitated by actual operating conditions different from those used as a basis of this quotation, or any changes requested by you before, or during the course of manufacture, shall entitle us to an equitable price adjustment.
- (b) We reserve the right to revise the price in accordance with prices prevailing at the time of shipment:
- o If delivery is specified by Purchaser later than the agreed-upon date, or
 - o If delivery cannot be completed and shipped within that agreed upon date for reasons beyond our reasonable control, as defined in Section 6 below, or
 - o If prices on equipment furnished by other manufacturers or labor rates upon which our price is based are changed beyond our control.
- Any Federal, State or other excise, sales or use taxes imposed on the manufacturer or sale of the equipment described herein will be added to the price unless specifically stated otherwise in our proposal.

2. DELIVERY

The quoted delivery time is to be measured from the date the Seller receives all necessary information and the down payment with a purchase order.

3. PAYMENT TERMS

Payment shall be made Net in U.S. Currency within thirty (30) days after the invoice date unless otherwise stated. Payment shall become due for partial shipments pro-rated based upon equipment quotation and as specific items on this quotation are shipped. Overdue accounts shall bear interest at the rate of 1-1/2 percent per month or whatever is permitted by law.

If Seller must hold equipment ready for shipment for more than 10 (ten) days after the specified shipment date, Purchaser will be billed on the original shipment date, and Seller may store equipment in a warehouse at Purchaser's expense for handling and storage.

4. WARRANTIES

Seller's Warranties are limited as follows:

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. Seller agrees to repair or replace, F.O.B. Factory, any part of standard commercial manufactured items which are, within the warranty period of the manufacturer's particular item in question, found defective or otherwise unsatisfactory owing to faulty material or workmanship. Any defective material or workmanship on Seller's specially designed and fabricated equipment or components which may develop under normal use and service within one (1) year after shipment will be made good by, and at the expense of Seller F.O.B. Factory. No equipment shall be returned to Seller without express permission and shipping instructions.

Purchaser agrees to defend and indemnify Seller against any loss, cost, damage, or expense, including reasonable attorneys' fees, resulting from any claims by Purchaser or by third parties (including purchaser's employees) of damage to property or injury to persons resulting from faulty installation or negligent operation of the equipment, whether or not such damage to property or injury, or injury to persons is, or is not also caused by defective material, workmanship, or construction.

5. SELLER'S PATENTS

Provided that Purchaser shall have disclosed to Seller in writing complete details of the proposed use of the equipment to be sold herewith, including the details of proposed installation, Seller agrees to defend and indemnify the Purchaser against all claims that equipment of Seller's manufacture and design infringes upon the patents of others. Seller's responsibility is limited to defending suits alleging infringement by Seller, Seller's costs and expenses in defending any such suit, and awards and damages entered in any such suit based upon a determination that Seller has infringed upon the patents of others.

This undertaking shall not apply to the use by Purchaser of equipment furnished by Seller in conjunction with other equipment or production processes unless this is specifically agreed to by Seller in writing.

If as a result of patent infringement claims against which Seller undertakes herein to defend and indemnify the Purchaser, Purchaser is enjoined from using equipment manufactured and designed by Seller. Seller's responsibility shall be limited to one of the following, as elected by Seller:

1. Obtain for Purchaser the right to continue using such equipment at no expense to Purchaser.
2. Modify the equipment so as to make it non-infringing at no expense to the Purchaser.
3. Take back the equipment and refund the purchase price to the Purchaser.

6. FORCE MAJEURE

If any undertaking of Seller herein shall be prevented or delayed by war, strikes, lock-outs, acts of god, material or energy shortages or other occurrences beyond the reasonable control of Seller, the time for Seller's performance shall be extended for the period of delay caused by such occurrences. If any such delay shall extend beyond a period of 90 days, Seller may, at its option, terminate this Agreement.

7. DEFAULT, DAMAGES AND REMEDIES

The rights and remedies of the parties shall be governed by the law of the State of California in the event of any default by either party, except that in no circumstances shall Seller be liable to Purchaser for consequential damages.

8. ACCEPTANCE AND APPROVAL

All of Seller's proposals and all of Purchaser's orders are subject to approval and acceptance at Seller's home office at Hayward, California. All prior communications, whether oral or written, are superseded by these Terms and Conditions. When duly accepted and approved by an executive officer of Seller and by Purchaser, the proposal of which these Terms and Conditions are a part, shall constitute an agreement which is not subject to cancellation. No modification of this agreement shall be binding upon either party unless such modification shall be in writing, duly accepted by the Purchaser and approved by an executive officer of the Seller. These Terms and Conditions shall apply to the Purchaser's order and all written conditions imprinted on a purchaser's order, which are not conforming with, or are contrary to these Terms and Conditions, shall be considered void and of no effect.

HEAT AND CONTROL, INC.
21121 Cabot Blvd.
Hayward, California 94545-1132
SELLER



Container ONE
8204 N Palmyra Rd. -
Canfield, OH, 44406



Invoice

Date	Due	Invoice #
Jul-27-2021	Jul-28-2021	193186

Bill To
Big Sandy Organics 275 Montana Ave W Big Sandy, MT 59520 US

Ship To
Heather Dilworth ,Big Sandy Organics 275 Montana Ave W Big Sandy, MT 59520 US

Quantity	Item Code	Description	Price Each	Amount
1	Container Sales:40STWWT	40' Standard Water tight container	\$7,376.00	\$7,376.00 Non
1	Container Sales:Discount	Discount Given	(\$25.00)	(\$25.00) Non
1	Container Sales:Warranty	5 Year Structure and 1yr Leak Warranty	\$0.00	\$0.00 Non
			Subtotal	\$7,351.00
			Discount	
			Shipping	\$0.00
			Total	\$7,351.00

By paying this invoice you agree to our terms and conditions as stated on <https://containerone.net/terms-and-conditions/>
Shipping and delivery estimates are only estimates; they are not guaranteed delivery times and should not be relied upon as such. Minimum delivery time is 5 days, on average containers are delivered in 10 business days after payment clears. For logistics questions call 330-286-0526 Ext 511

Container ONE
8204 N Palmyra Rd. -
Canfield, OH, 44406



Invoice

Date	Due	Invoice #
Jul-28-2021	Jul-29-2021	193193

Bill To
Big Sandy Organics 275 Montana Ave W Big Sandy, MT 59520 US

Ship To
Heather Dilworth , Big Sandy Organics 275 Montana Ave W Big Sandy, MT 59520 US

Quantity	Item Code	Description	Price Each	Amount
1	Container Sales:40STWWT	40' Standard Water tight container	\$7,376.00	\$7,376.00 Non
1	Container Sales:Discount	This is the 4th container they have purchased in a month	(\$100.00)	(\$100.00) Non
1	Container Sales:Warranty	5 Year Structure and 1yr Leak Warranty	\$0.00	\$0.00 Non
			Subtotal	\$7,276.00
			Discount	
			Shipping	\$0.00
			Total	\$7,276.00

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Container ONE
8204 N Palmyra Rd. -
Canfield, OH, 44406



Invoice

Date	Due	Invoice #
May-17-2021	May-18-2021	192364

Bill To
Big Sandy Organics 275 Montana Ave W Big Sandy, MT 59520 US

Ship To
Heather Dilworth , Big Sandy Organics 275 Montana Ave West Big Sandy, Montana 59520 US

Quantity	Item Code	Description	Price Each	Amount
2	Container Sales:20STWWT	20' Standard Water Tight Container	\$6,544.00	\$13,088.00 Non
2	Container Sales:Discount	Discount Given	(\$300.00)	(\$600.00) Non
1	Container Sales:Warranty	5 Year Structure and 1yr Leak Warranty	\$0.00	\$0.00 Non
			Subtotal	\$12,488.00
			Discount	
			Shipping	\$0.00
We accept credit/debit card or you can pay by check to receive an additional 2% discount. If paying with a check simply email a image of the check to: payments@containerone.net . Thank you for your business!			Total	\$12,488.00

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4907 E. Trent Ave.
Spokane, WA 99212
+1 5098685962
tyler@spokaneforklift.com
<https://www.spokaneforklift.com/>

Invoice

BILL TO

275 Montana Ave W
Big Sandy, MT 59520

SHIP TO

275 Montana Ave W
Big Sandy, MT 59520

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
S276683	11/05/2021	\$17,190.00	11/05/2021	Due on receipt	

SALES REP

TM

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	- Make: TCM Model: FG20N6 Serial: 34501266 Year: 1985	1	8,000.00	8,000.00T
	- Attachments: Side shift Forks: 42" Engine: Nissan Hours: Unknown Load back rest: Yes Lights: None Mast: 2 stage Painted: Yes Tires: Pneumatic (70% or better)			
	Forklift is sold as-is, where is, with no warranty either expressed or implied.			
	- Make: Pramac Model: GX12 Serial: HLI0644991 Year: 2019 Attachments: None Forks: 42" Hours: Load back rest: Yes Lights: NoMast: 2 stage Painted: New Tires: New	1	7,900.00	7,900.00T
	Transport of Equipment (SALES)	10	129.00	1,290.00T

SUBTOTAL 17,190.00

TAX (0%) 0.00


TOTAL 17,190.00

BALANCE DUE **\$17,190.00**

A 35% restocking fee applies on ALL eligible returns. Returns must be in new condition, in original undamaged packaging. No return on electrical items. Inbound freight is non refundable. Return freight will be charged. Refund will be given AFTER vendor credits Spokane Forklift. By signing here we accept the above charges without condition.

Signature: _____

Order # WP12820495

PO/Job Name: WP12820495
Order Origin: Online
Payment:  - 0074

Order Total: \$7394.76

Express Delivery  This item is not eligible for cancellation 

Delivered September 16







Deliver To:
Thomas Dilworth
275 Montana Ave W
BIG SANDY, MT 59520
406-868-3061

Delivery Details
Type: Outside Delivery
Time: September 16, 6am - 8pm

Live Chat


Ordered
Sep. 14


Delivered
Sep. 16


Item	Description	Qty	Unit Price	Discount	Net Unit Price	Pre-Tax Amount
	Unbranded 2 in. x 6 in. x 14 ft. Premium #2 and Better Douglas Fir Lumber SKU 593988	75	\$14.32	\$0.00	\$14.32	\$1,074.00
	Grip-Rite #9 x 3-1/4 in. 16-Penny Vinyl-Coated Steel Sinker Nails (5 lb.-Pack) SKU 944327	1	\$22.98	\$0.00	\$22.98	\$22.98
	WeatherShield 2 in. x 6 in. x 16 ft. #1 Redwood-Tone Ground Contact Pressure-Treated Lumber SKU 1001802269	4	\$18.48	\$0.00	\$18.48	\$73.92
	Owens Corning R-38 Kraft Faced Fiberglass Insulation Batt 24 in. x 48 in. SKU 568331	15	\$91.60	-\$412.20	\$64.12	\$961.80
	Unbranded 2 in. x 4 in. x 96 in. Prime Whitewood Stud SKU 161640	15	\$3.48	\$0.00	\$3.48	\$52.20
	Everbilt Everbilt 9 ft. x 150 ft. Woven Housewrap SKU 1000001507	1	\$114.00	\$0.00	\$114.00	\$114.00





WeatherShield 2 in. x 6 in. x 12 ft. #1 Redwood-Tone Ground Contact Pressure-Treated Lumber SKU 1001802262	4	\$13.98	\$0.00	\$13.98	\$55.92
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 Owens Corning R-21 Kraft Faced Fiberglass Insulation Batt 15 in. x 93 in. SKU 567068	16	\$62.45	-\$299.84	\$43.71	\$699.36
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 Unbranded Sheathing Plywood (Common: 3/8 in. x 4 ft. x 8 ft.; Actual: 0.344 in. x 48 in. x 96 in.) SKU 657865	30	\$20.83	\$0.00	\$20.83	\$624.90
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 Grip-Rite 2 in. x 0.113 Plastic Exterior Galvanized Ring Shank Nails (5,000 per Box) SKU 318683	1	\$105.00	\$0.00	\$105.00	\$105.00
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 Grip-Rite 3-1/4 in. x 0.131 Plastic Bright Vinyl-Coated Steel Smooth Shank Round Framing Nails (4,000 per Box) SKU 112917	1	\$105.00	\$0.00	\$105.00	\$105.00
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 GAF Tiger Paw 400 sq. ft. Premium Synthetic Roofing Underlayment Roll SKU 387199	2	\$83.57	\$0.00	\$83.57	\$167.14
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 Unbranded Oriented Strand Board (Common: 19/32 in. x 4 ft. x 8 ft.; Actual: 0.578 in. x 47.75 in. x 95.75 in.) SKU 339696	70	\$31.27	-\$219.10	\$28.14	\$1,969.80
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 GCP Applied Technologies Grace Ice and Water Shield 36 in. x 75 ft. Roll Self-Adhered Roofing Underlayment (225 sq. ft.) SKU 873904	1	\$149.00	\$0.00	\$149.00	\$149.00
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 TYVEK HomeWrap 2 in. x 164 ft. Installation Tape SKU 176886	2	\$15.67	\$0.00	\$15.67	\$31.34
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Unbranded Sheathing Plywood (Common: 19/32 in. x 4 ft. x 8 ft.; Actual: 0.563 in. x 48 in. x 96 in.) SKU 439606	32	\$29.87	\$0.00	\$29.87	\$955.84
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 Everbilt Everbilt 3 ft. x 100 ft. Woven Housewrap SKU 1000051399	1	\$33.68	\$0.00	\$33.68	\$33.68
--	---	---------	--------	---------	---------

 GE Paintable Silicone Supreme 9.5 oz. White Exterior Window and Door Sealant SKU 1000014279	5	\$9.98	\$0.00	\$9.98	\$49.90
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 Grip-Rite 3 in. x 0.120 in. Plastic Bright Vinyl-Coated Steel Smooth Shank Round Framing Nails (4,000 per Box) SKU 619148	1	\$69.98	\$0.00	\$69.98	\$69.98
--	---	---------	--------	---------	---------

Subtotal	\$8,246.90
Pro Xtra Savings	-\$931.14
Shipping	FREE
Express Delivery	\$79.00
Sales Tax	\$0.00
Order Total:	\$7394⁷⁶

Order details have been successfully printed to pdf.

Order # WP15729772

PO/Job Name: WP15729772

Order Total: \$4712⁷²

Order Origin: Online

Payment:  - XXXX

Express Delivery  This item is not eligible for cancellation 

Delivered October 22






Deliver To:
Thomas Dilworth
275 Montana Ave W
BIG SANDY, MT 59520
406-868-3061

Delivery Details
Type: Outside Delivery
Time: October 22, 6am - 8pm

 Live Chat

Ordered
Oct. 20

Delivered
Oct. 22

Item	Description	Qty	Unit Price	Discount	Net Unit Price	Pre-Tax Amount
	Unbranded 2 in. x 6 in. x 16 ft. #2 and Better Prime Doug Fir Lumber SKU 603694	55	\$16.33	\$0.00	\$16.33	\$898.15
	Unbranded 15/32 in. OSB Sheathing (Common: 15/32 in. x 4 ft. x 8 ft.; Actual: 0.451 in. x 47.875 in. x 95.875 in.) SKU 512977	45	\$19.15	\$0.00	\$19.15	\$861.75
	Unbranded 2 in. x 6 in. x 10 ft. #2 and Better Prime Douglas Fir Board SKU 603651	75	\$10.42	\$0.00	\$10.42	\$781.50
	Unbranded Common: 19/32 in. x 4 ft. x 8 ft., Actual: 0.578 in. x 47.75 in. x 95.75 in. Oriented Strand Board SKU 339696	70	\$31.27	-\$219.10	\$28.14	\$1,969.80
	Unbranded 2 in. x 6 in. x 20 ft. #2 and Better Prime Doug Fir Lumber SKU 185469	6	\$20.42	\$0.00	\$20.42	\$122.52

Subtotal	\$4,852.82
Pro Xtra Savings	-\$219.10
Shipping	FREE

Express Delivery	\$79.00
Sales Tax	\$0.00
<hr/>	
Order Total:	\$4712⁷²

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Inspection Equipment Proposal



Heat and Control, Inc.

187 West Airport Road
Lititz, PA 17543-9998 USA
Telephone: 717-519-5240
800-648-5313
Facsimile 717-519-5260
www.heatandcontrol.com

Date: November 23, 2021

Proposal: 32118461, Revision 3

Subject: Ishida X-ray

Proposed To: Big Sandy Organics
275 Montana Ave W
Big Sandy, MT 59520
Attn: Thomas Dilworth

End User: Big Sandy Organics, Big Sandy, MT



Local Representative

Bill Scott
R.L. Scott and Associates
208-867-1039
bill@rlscottinc.com

Regional Sales Manager

Emmil Gaucher
Heat and Control, Inc.
480-432-4843
Emmilg@HeatandControl.com

Application Engineer

Justin Retallack
Heat and Control, Inc.
717-560-8635
justinr@HeatandControl.com

Corporate Office
Heat and Control, Inc.
21121 Cabot Blvd
Hayward, CA
94545-1132 USA
Telephone 510-259-0500
Facsimile 510-259-0600

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



Heat and Control

The Right Choice

Heat and Control is a world-leading equipment manufacturer serving an ever-growing list of food and non-food industries. We believe that when you purchase equipment from Heat and Control, you are joining us in a long-term relationship. In addition to the latest technology and highest quality equipment for processing, product handling, packaging, and inspections, we are committed to providing the industry's best service – before and after the sale. To this end, we support you with equipment demonstrations, engineering and application assistance, project management, installation, training, prompt expert service, and parts support wherever your plant is located.

With manufacturing facilities and sales support offices worldwide, Heat and Control has the resources and expertise to develop the most efficient solutions for your production challenges. Our equipment operates around the clock, around the world, providing the advantages you need to succeed in today's competitive markets. Whether you need one machine or a complete line, we design and build machinery that delivers the most reliable and efficient performance for your products.

As a privately owned and operated company for 70 years, we also understand that it takes quality products, continued improvement, and responsive expert service to ensure continued growth for your business. Heat and Control is here to serve you on all counts. Thank you for considering our equipment offer – we look forward to working with you on this project and for years to come!

Proposal History:

Date:	Revision:
11/11/2021	Original proposal submitted
11/17/2021	Updated the quote to quote an inventory IX-EN-2493 and provide two (2) reject conveyor options
11/23/2021	Remove the inventory reject conveyor

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



ISHIDA X-RAY DESCRIPTION:

X-RAY MODEL: IX-EN-2493

- ♦ Compliance with FDA Title 21 CFR 1020.40 for cabinet x-ray systems
- ♦ 304 stainless-steel construction, conveyor and inspection area conforms to IP66 specifications, the control conforms to IP54 specifications
- ♦ ETL/cETL approved construction
- ♦ Aperture size: 240 mm (9.4") W x 150 mm (5.9") H
- ♦ Conveyor belt dimensions: 800 mm (31.5") L x 270 mm (10.6") W
- ♦ Variable speed, brushless DC drive motor (10-60 m/min)
- ♦ Maximum conveyor load weight: 5 kg
- ♦ Glass x-ray generation tube with user settable power up to 150 w (30-75 kv x 1-3 mA)
- ♦ The line sensor features 0.4 mm diode pitch providing superior detection of small contaminants with no line sensor calibration required
- ♦ Ishida developed, 5-level image processing software to detect a wide range of contaminant sizes and various densities, including 2 Genetic Algorithm (GA) image processing levels for difficult-to-detect contaminants and includes a library of common GA settings
- ♦ Other functions include weight estimation and detection of missing or broken products
- ♦ Heat sink cooled electrical cabinet
- ♦ **User-friendly operator control with:**
 - ♦ 15" color touch screen
 - ♦ 200 "preset" product programs
 - ♦ Complete statistics package with image storage of the last 200 "no good" products and ability to view during production
 - ♦ Fully automatic product setup
 - ♦ Masking functions for perimeter, pattern, and contrast
 - ♦ USB port to export NG images and data
 - ♦ Test mode for quality assurance checks
- ♦ Belt Height: 700 mm to 900 mm \pm 50 mm (27.6"-35.4"), please specify your requirement
- ♦ System Orientation: Left to Right or Right to Left, please specify your requirement
- ♦ Electrical Requirements: 208/220/230/240 VAC / 1 PH / 60 HZ
- ♦ X-ray emissions of 1 micro Sv/h or less

X-RAY PRICE: \$ 45,200.00

(F.O.B Destination, Freight Prepay and Add)

NOTE: Registration of cabinet x-ray with the state where installed is the user's responsibility

NOTE: This unit is in stock and available on a first-come, first-served basis

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



ISHIDA REJECT CONVEYOR:

REJECT CONVEYOR MODEL: RE-015-J2-2/SS-A

- ♦ IP30, stainless steel non-washdown construction
- ♦ 450 mm (17.7") L x 240 mm (9.4") W standalone reject conveyor
- ♦ 24 mm (0.94") roller diameter
- ♦ 24 VDC drive motor
- ♦ One touch locking mechanism securely fastens the conveyors for production while still allowing them to be removed without tools
- ♦ One (1) air jet reject device
- ♦ Air requirement: 90 psi
- ♦ Reject Direction: When facing the control panel product will be rejected toward the operator or away from the operator. To be confirmed at time of order.

NOTE: This unit would be a factory order and has a lead-time of 16-18 weeks.

REJECT PRICE: \$ 2,950.00

(F.O.B Destination, Freight Prepay and Add)

Customer: Big Sandy Organics
 Proposal: 32118461, Revision 3
 Date: November 23, 2021

PRODUCT SPECIFICATIONS

Product Description: Bagged Kamut

Item	Weight	Length	Width	Height	Speed	Product Pitch	Upstream Conveyor Speed
A	8 oz.	9"	6"	2.5"	50 ppm	TBD	TBD
B	8 oz.	9"	6"	2.5"	50 ppm	TBD	TBD
C*	1.4 oz.	7"	3"	.5"	50 ppm	TBD	TBD
D*	1.4 oz.	7"	3"	.5"	50 ppm	TBD	TBD
E*	.5 oz.	4"	3"	.5"	50 ppm	TBD	TBD
F*	.5 oz.	4"	3"	.5"	50 ppm	TBD	TBD

Item	Stainless Steel Ball	Quartz Ball	Ceramic Ball
A	0.7 mm	4.0 mm	3.0 mm
B	0.7 mm	4.0 mm	3.0 mm
C*	0.6 mm	3.0 mm	3.0 mm
D*	0.7 mm	3.0 mm	3.0 mm
E*	0.6 mm	3.0 mm	2.0 mm
F*	0.6 mm	2.0 mm	2.0 mm

- Notes:
- * Length is defined as the measurement parallel to product flow.
 - * Sensitivity shown is an estimate only and not a guarantee of system performance. In most cases, Heat and Control, Inc. can review/guarantee performance upon receipt and testing of actual product samples.
 - * For optimal performance it is the user's responsibility to install the x-ray in an environment free of electrical/mechanical noise and vibration.
 - * Pitch is defined as the measurement from leading edge of one package to the leading edge of another package.
 - * Additional products sent for testing added to product specifications table.

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



PURCHASER'S SPECIFICATIONS/STANDARDS

All Heat and Control, Inc. supplied equipment is designed to meet or exceed generally accepted equipment standards for Purchaser's industry. If Purchaser requires specially designed machinery to meet mandated corporate specifications, Heat and Control, Inc. will need time to review these specifications before confirming price or delivery. Unless stated otherwise, equipment in this proposal does not necessarily meet Purchaser's corporate specifications.

Unless specifically stated in this proposal, equipment is not UL (or cUL) labeled, does not meet NSF/3-A standards for meat and poultry equipment, and does not meet 3-A standards for dairy equipment.

REGULATORY COMPLIANCE

All Heat and Control, Inc. supplied equipment is manufactured to meet Heat and Control's interpretation of applicable OSHA standards and NEC (National Electric Code). Many items have been certified for compliance with various regulatory agencies. Compliance with federal, local, state, provincial, and/or emission or electrical regulations remains the responsibility of the Purchaser and is not warranted by Heat and Control, Inc.

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



SHIPMENT/TERMS OF PAYMENT:

Shipment to the Buyer from the Heat and Control Factory or some pre-designated U.S. Port of Entry is estimated at 16-18* weeks for a factory order and 2-4 weeks for an inventory order (but shall be confirmed after receipt of a firm order, down payment, and return of Heat and Control's Purchase Order receipt confirmation/clarification document). Equipment will be shipped freight collect unless alternate shipping arrangements are agreed to by both parties at time of order. Customer should identify preferred shipper at time of order. *Should Purchaser delay shipment of equipment for more than sixty (60) days beyond contracted/agreed shipment date, monthly storage fees may apply.*

*Heat and Control is working to minimize any impact to our quoted deliveries during the COVID-19 pandemic. That said, global supply chain and logistics limitations may result in unforeseen/uncontrollable delays outside of our control. Heat and Control would confirm current delivery at time of order and communicate any potential details to that delivery throughout project.

Terms noted are contingent upon Heat and Control credit approval at time of order.

Payment Terms for Factory Orders:

- 40% Down payment due with order
- 50% Due prior to shipment
- 10% Due thirty (30) days after shipment

Payment Terms for Inventory Orders:

- 90% Down payment due with order
- 10% Due thirty (30) days after shipment

Sales tax, if applicable, will be billed upon final invoice.

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



INSTALLATION SERVICE:

A Heat and Control Service Representative can be provided for installation, supervision, start-up, and training. A two (2) week notice for installation is required. The Service Representative's time (8 hours minimum), per attached Heat and Control Service Rates PDSR-MF-15-USA, along with travel expenses and a per diem charge of \$200.00 to cover living expenses, will be invoiced to the Buyer.

It is the Buyer's obligation to have the equipment in place, utilities brought to the machine(s), product available, and the packaging machine(s) ready to operate when the Service Representative arrives at the Buyer's plant. Time required of the Service Representative due to problems or delays not related to the Heat and Control supplied machinery, or at the request of the Buyer, will be charged to the Buyer.

This proposal is valid for a period of sixty (60) days

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



ORDER ACKNOWLEDGEMENT

ORDERDATE: _____

P.O. NUMBER: _____

TOTAL ORDER AMOUNT: _____

SHIPPING/INCOTERMS: EX WORKS, FREIGHT COLLECT _____

BILL TO ADDRESS: _____

SHIP TO ADDRESS: _____

END USER ADDRESS: _____

E-MAIL ADDRESS FOR INVOICES (IF APPLICABLE): _____

TECHNICAL DETAILS:

MAIN POWER: _____

115 VAC (100-120 VAC) 1 PH input, 230 VAC 3 PH output - .37kW (.5hp) motor

-OR-

230 VAC (200-240 VAC) 1 PH input, 230 VAC 3 PH output - .75kw (1hp) motor

120 or 240 VAC, 60 Hz, 1 PH

208/220/230/240 VAC, 1 PH, 60 HZ

BELT HEIGHT: _____

750-900 mm \pm 50 mm (29.5"-35.4" \pm 2") / 950-1100 mm \pm 50 mm (35.4"-43.3" \pm 2")

875 mm + 75mm (34.4" + 3")

SYSTEM ORIENTATION: _____

When facing the control panel, product will be transported from Left to Right or Right to Left

REJECT DIRECTION: _____

When facing the control panel, product can be rejected toward the operator or away from the operator

PRINT NAME: _____

SIGNATURE: _____

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



FIELD SERVICE RATES (DOMESTIC)

1.1 RATES

HOURLY SERVICE RATES:		HOURLY RATE	MINIMUM CHARGE
Straight Time	Monday - Friday	\$ 140.00	\$ 1,120.00
	8:00 am – 5:00 pm		
Overtime	Over 8 Hours M-F	\$ 210.00	
	Hours Outside 8:00 – 5:00	\$ 210.00	
Weekend/Holiday	Saturday	\$ 210.00	\$ 1,120.00
	Sunday and Holidays	\$ 280.00	
	Saturdays, Sundays or		
	Holidays Not Worked		
Travel Time	Weekdays	\$ 90.00	
	Saturday	\$ 180.00	
	Sunday/Holiday	\$ 240.00	

1.2 EXPENSES

1.2.1	TRANSPORTATION	
	Airfare, auto rental, taxi, tolls, fuel, etc.	Actual Cost
1.2.2	LIVING EXPENSES	
	Per Diem for room, board and incidentals for all days required on service trip	\$200.00/day

1.3 HOLIDAYS DEFINED

- 1.3.1 UNITED STATES:
New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day Following Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve.
- 1.3.2 FOREIGN HOLIDAYS
National Holidays of Foreign Countries are straight time days and minimum daily charge will be invoiced, except if it falls on a U.S. Holiday.

Customer: Big Sandy Organics
Proposal: 32118461, Revision 3
Date: November 23, 2021



TERMS AND CONDITIONS OF SALE

1. PRICE

- (a) The price quoted is F.O.B. HAYWARD, CA, unless stated otherwise in this proposal, and remains in force for thirty (30) days after the date of this proposal. The price quoted is based on the specifications herewith. Any changes in the equipment necessitated by actual operating conditions different from those used as a basis of this quotation, or any changes requested by you before, or during the course of manufacture, shall entitle us to an equitable price adjustment.
- (b) We reserve the right to revise the price in accordance with prices prevailing at the time of shipment:
- o If delivery is specified by Purchaser later than the agreed-upon date, or
 - o If delivery cannot be completed and shipped within that agreed upon date for reasons beyond our reasonable control, as defined in Section 6 below, or
 - o If prices on equipment furnished by other manufacturers or labor rates upon which our price is based are changed beyond our control.
- Any Federal, State or other excise, sales or use taxes imposed on the manufacturer or sale of the equipment described herein will be added to the price unless specifically stated otherwise in our proposal.

2. DELIVERY

The quoted delivery time is to be measured from the date the Seller receives all necessary information and the down payment with a purchase order.

3. PAYMENT TERMS

Payment shall be made Net in U.S. Currency within thirty (30) days after the invoice date unless otherwise stated. Payment shall become due for partial shipments pro-rated based upon equipment quotation and as specific items on this quotation are shipped. Overdue accounts shall bear interest at the rate of 1-1/2 percent per month or whatever is permitted by law.

If Seller must hold equipment ready for shipment for more than 10 (ten) days after the specified shipment date, Purchaser will be billed on the original shipment date, and Seller may store equipment in a warehouse at Purchaser's expense for handling and storage.

4. WARRANTIES

Seller's Warranties are limited as follows:

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. Seller agrees to repair or replace, F.O.B. Factory, any part of standard commercial manufactured items which are, within the warranty period of the manufacturer's particular item in question, found defective or otherwise unsatisfactory owing to faulty material or workmanship. Any defective material or workmanship on Seller's specially designed and fabricated equipment or components which may develop under normal use and service within one (1) year after shipment will be made good by, and at the expense of Seller F.O.B. Factory. No equipment shall be returned to Seller without express permission and shipping instructions.

Purchaser agrees to defend and indemnify Seller against any loss, cost, damage, or expense, including reasonable attorneys' fees, resulting from any claims by Purchaser or by third parties (including purchaser's employees) of damage to property or injury to persons resulting from faulty installation or negligent operation of the equipment, whether or not such damage to property or injury, or injury to persons is, or is not also caused by defective material, workmanship, or construction.

5. SELLER'S PATENTS

Provided that Purchaser shall have disclosed to Seller in writing complete details of the proposed use of the equipment to be sold herewith, including the details of proposed installation, Seller agrees to defend and indemnify the Purchaser against all claims that equipment of Seller's manufacture and design infringes upon the patents of others. Seller's responsibility is limited to defending suits alleging infringement by Seller, Seller's costs and expenses in defending any such suit, and awards and damages entered in any such suit based upon a determination that Seller has infringed upon the patents of others.

This undertaking shall not apply to the use by Purchaser of equipment furnished by Seller in conjunction with other equipment or production processes unless this is specifically agreed to by Seller in writing.

If as a result of patent infringement claims against which Seller undertakes herein to defend and indemnify the Purchaser, Purchaser is enjoined from using equipment manufactured and designed by Seller. Seller's responsibility shall be limited to one of the following, as elected by Seller:

1. Obtain for Purchaser the right to continue using such equipment at no expense to Purchaser.
2. Modify the equipment so as to make it non-infringing at no expense to the Purchaser.
3. Take back the equipment and refund the purchase price to the Purchaser.

6. FORCE MAJEURE

If any undertaking of Seller herein shall be prevented or delayed by war, strikes, lock-outs, acts of god, material or energy shortages or other occurrences beyond the reasonable control of Seller, the time for Seller's performance shall be extended for the period of delay caused by such occurrences. If any such delay shall extend beyond a period of 90 days, Seller may, at its option, terminate this Agreement.

7. DEFAULT, DAMAGES AND REMEDIES

The rights and remedies of the parties shall be governed by the law of the State of California in the event of any default by either party, except that in no circumstances shall Seller be liable to Purchaser for consequential damages.

8. ACCEPTANCE AND APPROVAL

All of Seller's proposals and all of Purchaser's orders are subject to approval and acceptance at Seller's home office at Hayward, California. All prior communications, whether oral or written, are superseded by these Terms and Conditions. When duly accepted and approved by an executive officer of Seller and by Purchaser, the proposal of which these Terms and Conditions are a part, shall constitute an agreement which is not subject to cancellation. No modification of this agreement shall be binding upon either party unless such modification shall be in writing, duly accepted by the Purchaser and approved by an executive officer of the Seller. These Terms and Conditions shall apply to the Purchaser's order and all written conditions imprinted on a purchaser's order, which are not conforming with, or are contrary to these Terms and Conditions, shall be considered void and of no effect.

HEAT AND CONTROL, INC.
21121 Cabot Blvd.
Hayward, California 94545-1132
SELLER





Owner & CEO: Heather Dilworth

Big Sandy Organics, LLC

Home of the original Kracklin' Kamut® — An organic ancient wheat grain snack

275 Montana Ave. W
Big Sandy, MT 59520
Phone: (406) 378-2266
Email, Owner: Heather@kracklinkamut.com

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1.0 EXECUTIVE SUMMARY

1.0 Executive Summary

Big Sandy Organics, of Big Sandy, Montana is a limited liability company owned by Heather Dilworth with her husband Thomas Dilworth as the General Manager. Heather Dilworth purchased the company in 2020 (originally founded in 2013, first snack product launched in 2015).

At the time of the purchase the company was solely focused on expanding the market of their trademarked organic ancient wheat grain snack *Kracklin' Kamut®*. However, shortly after the purchase the Dilworth's capitalized on some strategic relationships that allowed *Big Sandy Organics* to become a producer of private label grain snacks for two international companies, as well as their own established *Kracklin' Kamut®* brand.

The two new strategic business relationships caused *Big Sandy Organics* to make an advantageous shift from their primary business model of retail and online product sales (with heavy brand-building marketing costs that required steep capital outlay) to a co-packing, product-services manufacturing business model for private label grain snacks (with zero marketing costs). This shift alone launched the company beyond their first- and second-year projections. Monthly revenue immediately increased from \$8,000 to \$20,000 with an expected gross revenue of \$2 million within the upcoming 18-months.

Heather and Thomas Dilworth have situated *Big Sandy Organics* for even more exponential growth within the rapidly expanding organic food markets as they continue to seek counsel from their world-class advisory board while leveraging their competitive advantages of trademarks, trade-secrets, and exclusive licensing deals.



MANAGEMENT

Owner: Heather Dilworth
Dir Biz Dev: Thomas Dilworth
Dir Operations: Claude Smith
Production Mngr: Randy Edwards

ADVISORY BOARD

Jason Budge: Co-Founder/Owner
Thrive Life (American Fork, UT)

Renzin Yuthok: CEO/Co-Founder
Sherpa Foods (Seattle, WA)

Gary Mosier: Facilities
Management (*Pleasant Grove, UT*)

Anne Booth: Economic
Development Specialist (*Malta, MT*)

Charlotte Rose: Messaging,
Marketing & Branding Specialist
(*Twin Falls, ID*)

Del Ockey: Founder, Cardel
Brands (*Calgary, Canada*)

Robert (Bob) Quinn: Organic
Food Cultivation Pioneer (*Fort Benton, MT*)

2.0 COMPANY OVERVIEW

2.0 Company Overview

2.1 Ownership & Structure

Big Sandy Organics, LLC (BSO) is a privately owned limited-liability corporation registered in the State of Montana. Heather Dilworth (Big Sandy, MT) owns 100% of this minority-owned business.

Thomas Dilworth is the companies' Director of Business Development. He oversees all things related to *Big Sandy Organics*, including marketing and sales. Claude Smith, a food safety and food manufacturing expert is the new Director of Operations for the company and is responsible for the companies' day-to-day operations. The company is also supported by a skilled team of employees and an impressive advisory board, each with vast professional experience and knowledge in each area of their expertise.

2.2 Company History

Big Sandy Organics was started by Bob Quinn—world renown organic food cultivation pioneer—in 2013 under the name *Montana Horizons Organic Snacks* (MHOS). In April 2015, after two years of research and development was spent to craft the perfect snack, MHOS officially launched the *Kracklin' Kamut®* brand, an ancient grain organic wheat snack. The brand experienced slow but steady growth its first year as it looked to find its place in the thriving organic food market.

In May of 2016, the company made a change in management and shortly thereafter underwent a complete re-branding process to help facilitate a change in marketing strategy. The company changed its name from *Montana Horizons Organic Snacks* to *Big Sandy Organics* and completely redesigned its packaging to better represent its premium Montana grown ingredients, and to express the brand's great Montana heritage.

In October of 2016 the *Big Sandy Organics* team attended a trade show in Atlanta, Georgia for the National Convenience Store Association (NACS) where the product received an overwhelming amount of interest. With the amount of interest generated from the show it was evident that in order to keep up with demand the company would need to upgrade equipment and find a larger manufacturing facility. After several

months of searching, the company was able to acquire a lease on a new facility and immediately went to work on renovating the facility to meet new food safety standards. The company put on hold all new customer acquisition during this process yet still managed to see an increase in sales.

In August of 2017 after months of hard work, the team held an open house event to launch the newly redesigned packaging and to officially open the new manufacturing facility. The event was an enormous success with over 200 people in attendance including Montana's Lieutenant Governor Mike Cooney, State Senator John Tester as well as several news stations and local newspapers.

Since the rebranding of *Big Sandy Organics*, their *Kracklin' Kamut®* ancient grain wheat snack has received tremendous support and exposure both locally and nationally. It has quickly become a beloved favorite snack throughout Montana and has been featured in several national publications as a "go to" healthy snacks for all ages. Currently, *Kracklin' Kamut®* can be purchased online, and at over 100 locations throughout Montana.

In July of 2019 Heather and Thomas Dilworth began discussions with owners Bob and Ann Quinn to purchase *Big Sandy Organics*. After several months of negotiations, the terms of the sale were agreed upon and the transfer of ownership to Heather Dilworth was completed on January 1, 2021. The purchase included not only the tangible property and manufacturing equipment, but also the *Kracklin' Kamut®* trademark, as well as an exclusive licensing right to the patented KUMUT® brand Khorasan wheat.

After Heather Dilworth's purchase of *Big Sandy Organics*, with Thomas Dilworth as the General Manager, the two began to explore financing options through third-party private investors, grants, and business loans that would support their expansion goals for the company. In tandem with the financing options, they also researched and pursued opportunities for strategic relationships with other brands. This approach proved successful and during the process it became evident that *Big Sandy Organics* could increase their growth more fully by adopting an expanded business model.

Rather than focusing exclusively on *Big Sandy Organic's Kracklin' Kamut®* ancient grain wheat snack product, through online and retails sales, Heather and Thomas capitalized on their strategic relationships by also becoming a co-packing manufacturer for private labeled grain snacks, starting with contracts for two international brands, *Young Living®* (Lehi, UT) and *The Food Nanny* (Millcreek, UT), that are expanding their product lines.

2.3 Business Model

In 2021, *Big Sandy Organics* entered in to two new strategic business relationships that caused the company to make an advantageous shift from their primary business model of retail and online product sales (with heavy brand-building marketing costs that required steep capital outlay) to a co-packing, product-services manufacturing business model for private label grain snacks (with zero marketing costs). This shift alone launched the company beyond their first- and second-year projections. Monthly revenue immediately increased from \$8,000 to \$20,000 with an expected gross revenue of \$2 million within the upcoming 18-months.

2015 - 2020	2021 - 2022+
Online and Retail Sales	Private Label Co-Packing Manufacturing
<ul style="list-style-type: none"> • <i>Kracklin' Kamut®</i> product only • Heavy capital outlay for brand-building, marketing, and distribution. • Unstable cash flow • Slow revenue growth 	<ul style="list-style-type: none"> • <i>Kracklin' Kamut®</i> product, plus lucrative strategic partnerships • Exclusive partnerships with two international companies • No capital outlay for brand-building, marketing, and distribution. • Shared expansion costs w/partners • Stable cash flow • Rapid revenue growth
<p>Primary Cash Flow: Fluctuating on demand online & retail sales.</p> <p>No secondary revenue stream.</p>	<p>Primary Cash Flow: Guaranteed sales with co-packing manufacturing contracts, plus secondary fluctuating on demand online & retail sales revenue.</p> <p>Two revenue streams: One primary, guaranteed. One fluctuating.</p>
Gross Annual Revenue \$130,000	Projected Gross Annual Revenue \$2M

2.4 Business Relationships

Big Sandy Organics had a big year in 2021, they entered two new strategic business relationships with international companies that were looking to expand their product lines.



<https://www.thefoodnanny.com>

2.4.1 Food Nanny

The Food Nanny (1970 Millcreek, UT) is an international brand that has now become the product face of *Kracklin' Kamut®* ancient grain wheat snacks (and other KUMUT® wheat products,) through *Big Sandy Organics'* exclusive licensing rights to the patented KUMUT® Khorasan wheat. *Big Sandy Organics* is producing the private label wheat snacks for *The Food Nanny*. This contract alone took *Big Sandy Organics* from an \$8,000 per month revenue to \$20,000 per month within the first month of the contract.



<https://www.youngliving.com>

2.4.2 Young Living®

Young Living® (1994 Lehi, UT) is an international brand that is expanding their product line beyond essential oils, personal health and hygiene products, to food and beverage products. *Big Sandy Organics* not only has an exclusive right to produce a private label wheat snack product for *Young Living®* but they also retain the trade-secret processing right to the private label product. This contract also supports the build-out of two new manufacturing lines. *Young Living®* will help to facilitate the equipment expansion while *Big Sandy Organics* finances the facilities build-out of the necessary expansion.

2.5 Business Growth Timeline

2013



Montana Horizons Organic Snacks
founded in Fort Benton, MT

2015



1st *Kracklin' Kamut®*
product, Sea Salt

2016



Kracklin' Kamut®
repackaging, Sea Salt

2016



Company rebranding overhaul. Name
change from *Montana Horizons Organic*
Snacks to *Big Sandy Organics*

2016



Old signage retired

2016

Big Sandy Organics has
grown from one
employee to three
employees, plus ordered
new processing
equipment.

2017



New *Big Sandy Organics* manufacturing facility. (Already out growing it.)

2018



Kracklin' Kamut®
new flavor, Churro

2020

Big Sandy Organics completes its first 100,000 unit order for Snack Nation.



2019

Begin testing new *Kracklin' Kamut®* flavors "Salt & Vinegar", "Dill", and "Chipotle".

2019

Heather & Thomas Dilworth begin negotiations to purchase *Big Sandy Organics* from Bob and Ann Quinn.

2020

Big Sandy Organics has grown from three employees to five employees.

2021

Heather & Thomas Dilworth purchase *Big Sandy Organics* from Bob and Ann Quinn.

2021

Big Sandy Organics has grown from five employees to seven employees.

2021

Big Sandy Organics closes on strategic partnership co-packing deals with two international companies to produce their private label *Kracklin' Kamut®* ancient wheat grain snacks – *The Food Nanny* and *Young Living®*.



the **FOODNANNY**



Since the founding of *Big Sandy Organics* in 2013 (originally *Montana Horizons Organic Snacks*), the company has grown from a small producer of one product with only one full-time employee to a company of seven employees, with a growth rate demand that will require the hiring of 12 new employees within a six-month period.

The original product was the *Kracklin' Kamut®* "Sea Salt" ancient grain wheat snack. The "Churro" flavored snack (new in 2018) has also become extremely popular. Other flavors in development are "Dill", "Chipotle", and "Salt and Vinegar".

By 2022, *Big Sandy Organics* will be operating at another new facility (3rd within just nine years); it will have expanded from one manufacturing line to two manufacturing lines (one organic, one non-organic); and will be operating at 10x's it's original capacity (from 200lbs per manufacturing line to 1,000pds per manufacturing line).



3.0 TEAM OVERVIEW

3.0 Team Overview

3.1 Management & Operations Team



Heather Dilworth: Owner & CEO

Heather Dilworth is a people person. She loves family and community and has always been a focused self-starter and self-sustaining individual. She started cosmetology school during her senior year of high school and graduated from both within the same year. She then started her own hair-styling proprietorship and has continued with that as an on-the-side occupation along with her other pursuits, until it became a pleasant hobby just for family and close friends.

With an “I don’t like debt” type of mantra, and never wanting to limit herself to one lane of achievement, Heather also started to work at *Chili’s* to earn extra money. Within just a few years she was the manager. Heather left *Chili’s* when she had the opportunity to become the executive assistant to the human resources director at *Vivint Home Security*, a multi-billion-dollar company (Provo, UT), where she became intimately acquainted with the high-performance nuances of business development, human capital management, policies, and procedures of a rapidly growing international company.

A move to Montana with her husband, and motherhood, shifted Heather’s focus to looking for an opportunity to thrive financially without compromising her family priorities. *Big Sandy Organics* became the opportunity. The move from a big city to a small town was a significant adjustment, but the trade-offs were worth it.

Heather understands that some of the keys to success are delegation, support, communication, teamwork, and edification. She has stated, “If you have to do everything yourself you cannot accomplish very much, but with a team, and everyone working together, you can do many more wonderful things.”



Thomas Dilworth: *Director of Business Development*

Thomas Dilworth is an intelligent, visionary, and driven leader with exceptional communications skills. He studied marketing and mass communications at Utah Valley University (Orem, UT) and has over fifteen years of experience in the field of public relations and marketing, plus three years of experience in event planning and management.

Thomas grew up in a large family, the youngest of six children. After high school he spent four-years serving his country overseas in Germany with the United States Army. His love for travel and culture prompted him to return to Germany after the service where he started a family and spent an additional six-years gaining valuable real-world experience. His first job overseas was as a dishwasher at a bar where he learned to speak German on the job. He was quickly moved-up to a bartender/server and would later, as a result of his natural aptness for networking, found himself working for an event management firm as a team leader responsible for 10 – 20 employees per event, working some of Germany's largest festivals.

After 10-years abroad, Thomas returned to America where he began working for a private film production company. He worked his way up from a personal assistant to an associate producer role with the company in just two short years. His on-the-job training gave him eye-opening experiences in the fields of marketing and public relations, of which he quickly developed a fervor. To this day Thomas still maintains a relationship with the film company in a consulting role.

Thomas is a highly motivated, community-minded individual who serves as the head basketball coach at the local high school in Big Sandy, MT. He is a family man who is always looking for ways to serve and better the community around him.



Claude Smith: *Director of Operations*

Claude Smith recently joined Big Sandy Organics as the Director of Operations after serving as an Advisory Board member where he consulted for Big Sandy for five years and watched with enthusiasm as the company continued to grow. Claude has more than 20-years of experience in food manufacturing and food safety management. He is a resident expert

in HACCP (Hazard Analysis and Critical Control Points) and FSMA (Food Safety Modernization Act) laws and regulations. He spent four years working for the Montana Manufacturing Extension Center as a Food Safety & Process Specialist before moving on to manage *Wilcox Family Farms*.

Claude's experience and expertise have been vital to *Big Sandy Organic's* success as he consulted the company through the renovation of the new processing facility. With Claude's help and advice, the company was able to navigate the facility renovation smoothly and swiftly, saving the company considerable time and money.

After transitioning from his Advisory Board position with Big Sandy Organics to their Director of Operations Claude is happy to have his boots on the ground as the company scales-up to build-out its manufacturing operations to meet the companies' fast growing client base and production demands.



Randy Edwards: *Production Manager*

Randy Edwards has nearly 20-years of management experience between the companies of *Rocky Mountain Hardware* (Hailey, ID), *High Country Fusion* (Salt Lake City, UT), and *Big Sandy Organics* (Big Sandy, MT). He is hardworking and exceptionally skilled in the areas of production management, production processes, and construction processes.

Randy was brought on board to *Big Sandy Organics* in January of 2017. He immediately hit the ground running as he helped to supervise the renovation work of the new 2017 manufacturing facility, as well as being responsible for his duties of the day-to-day food manufacturing operations, which he continues to oversee.

3.2 Advisory Board

Big Sand Organics is the beneficiary of seasoned and successful industry advisors.



Jason Budge: Co-Founder/Owner
Thrive Life (American Fork, UT)

Jason Budge is the founder of *Thrive Life* (<https://www.thrivelife.com>) of American Fork, UT established first in 2004 under the name *Shelf Reliance*. He is a longtime friend and personal mentor of *Big Sandy Organics*'s General Manager, Thomas Dilworth.

Jason Budge is an expert in growing small businesses, branding, and direct-to-consumer sales channel. Since the *Shelf Reliance* relaunch in 2006 under the *Thrive Life* name, Jason has grown his dehydrated food business into a global player with sales of over 40 million a year, primarily through direct-to-consumer sales channels.

His experience and knowledge in the direct-to-consumer market have helped *Big Sandy Organics* to steer clear of some of the business and marketing pitfalls.



Renzin Yuthok: CEO/Co-Founder
Sherpa Foods (Seattle, WA)

Renzin Yuthok is the CEO and Co-Founder of *Sherpa Foods* of Seattle, Washington President, and CEO of *Great Himalaya Foods*, North America's largest producer of Tsampa, the staple cereal of the Himalayas. He has over 20-years of broad management, engineering, marketing, and product development experience from the food and beverage industry.

Renzin earned his MBA from the Darden School of Business at the University of Virginia and a BS in Mechanical Engineering from the University of Washington. He is a registered professional engineer in the state of Washington (PE #34893) and holds several patents in the US and abroad.

Big Sandy Organics' affiliation with Renzin Yuthok and *Sherpa Foods* is one of strategic value the company looks to grow and expand its reach into the big box store chains such as Costco. Renzin's vast knowledge of food manufacturing and food distribution

channels has helped guide *Big Sandy Organics* through uncharted waters of their growth planning and execution.



Gary R. Mosier: Facilities Mgmt. Expert (Pleasant Grove, UT)

Gary Mosier has worked as a facilities manager over the past 30-years with several companies in various facilities management related positions. Gary's vast facilities management experience over the years has included responsibilities related with local city and county regulating agencies, as well as with federal oversight agencies such as the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), and Hazardous Materials Management (HASMAT). Gary has worked for such companies as Micro Motion (Boulder, CO), Telos Residential (Orem, UT), and Doterra International (Pleasant Grove, UT).

Gary is playing a critical advisory role as he consults *Big Sandy Organics* through their rapid growth, plant and manufacturing expansion, giving expert advice and attention to the many quality-control regulations.

Gary is playing a critical role in the expansion of *Big Sandy Organics* as the companies' build-out requires attention to the many



**Anne Booth:
Economic Development Specialist (Malta, MT)**

Anne served as an Economic Development Specialist for Triangle Communications for over ten years. She is an expert in economic development and has worked with us on several occasions in the grant-seeking process to secure funding to help grow our business. Her willingness to serve on our advisory board offers us some very unique opportunities due to her extensive knowledge of grant writing and small business funding opportunities.

Through her help and direction, we have received several funding opportunities through USDA rural development grants and loans, along with grants from the Big Sky Trust fund. Her knowledge and passion for economic development and love for helping others succeed are extraordinary assets to the growth of our business.



**Charlotte Rose: *Communications Specialist Consultant*
*Strategic Messaging, Marketing & Branding Expert (Twin Falls, ID)***

Charlotte Rose has worked in the entertainment industry for nearly 30-years. She started as a performer, writer, and producer before transitioning more and more to the business side of the industry as a marketing, messaging, and branding expert. In consulting circles, she is recognized as an efficiency expert and a “branding savant” with unique skills for turning ideas into assets, and for delivering messaging content that cuts through the noise to reach the masses with convertible affect.

Her years of working with some of the country’s top film, television, and music production executives have given her broad experience and insight that has been instrumental in helping *Big Sandy Organics* build the company’s brand and messaging strategies throughout each stage of the companies’ growth.



**Del Ockey: *Founder of Cardel Homes, Cardel Brands*
*Growth Planning and Business Development Expert (Calgary, Canada)***

Del Ockey has been a close friend of the Dilworth family for several years. He has over 40-years of building and business management experience and has built a small empire with his Cardel brand.

As the founder of the Cardel brand, which includes *Cardel Homes*, Calgary’s largest homebuilder (<https://www.cardelhomes.com/calgary/the-cardel-story/>), *Cardel Lifestyles*, *Cardel Resorts*, and *Cardel Financial*, his wealth of building and planning experience are unmatched.

Del’s exceptional business development acumen, plus his vast experience in the commercial building sector have helped to guide *Big Sandy Organics’* strategic growth model, especially as it relates to planning and scaling the companies’ operations.



Robert (Bob) Quinn: Founder, Kamut International®
World Renown Organic Food Cultivation Pioneer

With the transfer of ownership of *Big Sandy Organics*, Bob has agreed to serve on our advisory board for the foreseeable future. His knowledge, experience, and industry connections will serve as valuable tools as we continue to grow *Big Sandy Organics*. He has a long history of starting and developing successful businesses throughout Montana, and we consider him an invaluable asset to our company.

Bob has a BS in botany (1970), an MS in plant pathology (1971) from Montana State University in Bozeman, and a Ph.D. in plant biochemistry from the University of California at Davis (1976).

- Founder: KAMUT® International (Missoula, MT)
- Founder: Montana Flour and Grain (Fort Benton, MT)
- Member of the Montana Grain Growers and the Montana Farm Bureau.
- Active member of the Alternative Energy Resource Organization (AERO)
- Served on the first USDA National Organic Standards Board and has also served on a USDA agricultural research advisory committee as well as his congressman's Ag advisory committee.
- Served on the Montana Department of Agriculture's first organic certification advisory board.
- Received a lifetime of service award from the Montana Organic Association in 2007.
- Member of the Organic Trade Association (OTA) since 1987 and is a member of their farm advisory committee (FAC)

4.0 OPERATIONS OVERVIEW

4.0 Operations Overview

4.1 Production & Delivery

Kracklin' Kamut® is produced and distributed from their 2017 renovated food manufacturing facility in Big Sandy, Montana. This facility meets all food production and packaging industry standards and requirements. Currently, *Big Sandy Organics* ships using UPS, USPS, and LTL Freight. The company has one local state distributor and is in the process of adding two new distributors that will give us national reach.

4.2 Research & Development

Big Sandy Organics began development of *Kracklin' Kamut®* in 2013 under the company name *Montana Horizons Organic Snacks* (MHOS). After spending nearly two years in development and product testing stages, *Kracklin' Kamut®* brand wheat snacks were officially launched in April of 2015.

Kracklin' Kamut® brand wheat snacks are an excellent source of nutrition. Research has shown that KAMUT® Khorasan wheat contains higher amounts of protein, amino acids and vitamins & minerals like selenium, zinc and magnesium, when compared to most modern wheat. These nutrients have many benefits including contribution to normal cognitive function, regular metabolism, maintaining normal blood pressure and protection against oxidative stress. Research also indicates that this ancient wheat promotes significant antioxidant and anti-inflammatory activity. (See: Kamut.com)

Based on its nutritional qualities and digestibility, *Kracklin' Kamut®* brand wheat snacks are particularly suited for athletes, people with an active lifestyle and anyone looking for high quality nutrition. They are also an excellent option for parents who are looking for healthy snack options for themselves and their family.

5.0 PRODUCTS OVERVIEW

5.0 Products Overview

Big Sandy Organics' manufacturing plant is currently producing their original *Kracklin' Kamut®* brand organic ancient grain wheat snacks as well as co-packing the private label wheat snack brands for *The Food Nanny*, and also testing private label grain snacks for *Young Living®*.

5.1 Kracklin' Kamut® – An organic ancient wheat grain snack



Kracklin' Kamut® brand wheat snacks are a highly nutritious, satisfyingly crunchy, organic product that is produced and packaged at the *Big Sandy Organics* manufacturing plant in Big Sandy, Montana (pop. 600). The two basic *Kracklin' Kamut®* ingredients are both locally grown and sourced in Montana—organic KAMUT® Khorasan wheat, and organic Safflower oil.

Currently, *Big Sandy Organics* offers two flavors “Sea Salt” and “Churro,” which come in three different sizes. The company is also testing three new flavors: “Salt & Vinegar,” “Dill,” and “Chipotle”.

5.2 Food Nanny's private label Kamut® ancient wheat grain



The Food Nanny is currently producing two flavors of their private label brand of *Kracklin' Kamut®* ancient wheat grain snacks—“Sea Salt” and “Churro”. The product is made with the same process and ingredients as the *Big Sandy Organics* *Kracklin' Kamut®* recipe, including the patented organic KAMUT® Khorasan wheat, and Montana produced organic Safflower oil.

6.0 MARKETING OVERVIEW

6.0 Marketing Overview

6.1 Market Opportunity

Any major study done in the last ten years will tell you that consumer trends in the snacking industry are moving towards more healthy snacking options. A recent article by “Dun & Bradstreet” explains that the demand for snacks is driven by two things, “consumer tastes and health considerations.” The market also indicates that, “Worldwide savory snack foods market – salted snacks, processed snacks and nuts, and seeds – is expected to grow to \$220 billion in revenue by 2025, according to PMMI Business Intelligence. Europe and North America are the largest markets for snack food manufacturers with healthy snacks, including bars, driving growth in the later.” Of that global market, the United States counts for roughly \$41 billion in annual revenue.

Big Sandy Organics has experienced overwhelming demand for *Kracklin’ Kamut®* in the last several years and has had to turn down several lucrative offers from major brands such as Kroger, Target and Costco because the company did not have the facilities and equipment to meet the purchase order production demands of contracts with major retailers. However, *Big Sandy Organics* is currently in the planning stages of facilities and equipment expansion options that will include the acquisition of land, a new state-of-the-art building, production equipment for multiple new manufacturing lines, plus additional packaging equipment. This large expansion is necessary to support the growing demands of *Big Sandy Organics’* private label co-packing accounts, which is expected to grow exponentially in the coming years. To date, *Big Sandy Organics* has more opportunity than they have the facilities and equipment to support.

6.2 Competitive Advantage

The biggest competitive advantage *Big Sandy Organics* has in the snack food market is their control of the KAMUT® trademark for the use of wheat grain snacks. *Big Sandy Organics* has an exclusive licensing deal with KAMUT® International, which guarantees that KAMUT® International will not license its patented KAMUT® brand Khorasan wheat to any other company that would wish to create a similar snack category product. This is an extraordinary competitive advantage because it limits any competitor’s ability to produce a patented Khorasan wheat snack product. Not even a

major food brand can squeeze-in to compete in this space, which means that *Big Sandy Organics* essentially owns the field in this market.

The experience of our advisory board offers and their relationships in the food industry gives *Big Sandy Organics* a tremendous advantage in the marketplace. Quality relationships take years to develop and being able to draw on established relationships in the marketplace offers *Big Sandy Organics* a unique opportunity to sit down directly with decision makers and buyers for major distribution channels throughout the United States.

Everyone knows, “it’s not what you know, but who you know”. Business is built on relationships and our strategic partnerships with established brands lend credibility to our company and product as we go to market.

6.3 Market Analysis

The “healthy snacks” segment of the food industry has seen consistent and steady growth over the last decade. According to the “2019 State of the Snack Food Industry” survey report by Information Resources, Inc. (IRI) daily snacking averages remain at above 2.5 per day and there is an evolution happening in the niche markets as well.

The largest growth in the snacking industry has been in the healthy snack segment according to a 2019 report from “Packaged Facts”. In fact, according to the report, “Trending instead is the habit of eating smaller meals and snacks that better fit our increasingly busy lifestyles. Running concurrent with this trend is an uptick in conscientiously seeking out healthy snack food and avoiding mindless noshing.”

Research points out that in 2018 salty snack sales, which fits the key *Kracklin’ Kamut®* product, reached 18 billion in sales and since 2015 the healthy snack segment achieved a compound annual growth rate (CAGR) of 4.7%. That growth has skyrocketed in the past several years with the sales forecast of salty snacks at \$29 billion in 2022, as predicted in the July 2018 PRNewswire. In fact, every major retailer seems to be jumping on the growing trend as consumers demand healthier snacking options. As an example, in 2015, the largest convenience store chain in the world, 7-Eleven, launched its own brand of healthy snack options called “7-Select” and other retailers have followed suit.

Another notable statistic is related to a particular consumer purchasing segment: Moms—Moms between the ages of 26-40. These women make just under the medium

income for women in the U.S. which is 86K. They are educated women seeking healthy snacks for themselves and their children. These mom's alone—24,254,880—make-up a significant portion of the \$20B+ U.S salty snack market.

This trend for healthy snack options is not going away anytime soon as moms and millennials seem to be the driving force behind these trends.

Big Sandy Organics meets the demands of the general public, not only in the trends towards healthier flavorful snacks, but *Big Sandy Organics* meets the wants and needs of the large niche market of mom's between the ages of 26-40.

Big Sandy Organics has a marketing plan that will capture a large part of that market in addition to a portion of the general Salty Snack market. Based on this data, we feel we are perfectly placed within an emerging market with a very specific unique product that consumers are looking for.

6.4 Marketing and Sales Strategy

Big Sandy Organics' marketing strategy for the *Kracklin' Kamut®* products focuses on two main components, education/brand awareness and sampling. One of our main objectives over the next two years is to drive our online sales channel to over \$30k in monthly sales. As part of this objective with our marketing strategy to bring brand awareness and educate about the health benefits of our product, we partnered with two major national companies. The first is a partnership with a very well-established public relations and marketing firm, "ChicExecs," and the second is with subscription box "SnackNation."

Our ChicExecs partnership is about letting experts do what they do best, and ChicExecs are experts when it comes to building new brands. We will be working hand in hand with them to create and deliver very targeted online social media campaigns as well as features on local & national television networks. We are pairing this with our recent deal with "SnackNation" which is purchasing 80,000 units each quarter to send throughout the nation in their subscription boxes. We have found getting our product in people's hands and letting them try it for themselves to be our most effective form of marketing.

Our biggest hurdle in growth is not customer retention but in customer awareness, as the majority of our consumers are repeat customers. The most significant obstacle we

face is getting the consumers to try our product for the first time and the only way we can do that is by getting it in their hands.

In stride with both our marketing strategies, the introduction by the USDA of the Smart Snack initiative in 2014-25 has given schools the mandate that their snacks must meet specific nutritional standards. As our products meet these high standards, we are working to target local and national school districts to get our snacks in the hands of young kids across the country in hopes of helping them develop healthy snacking habits at a young age. As part of this, we have recently launched a new smaller 1oz version of our snacks specifically for this initiative. With over 130,000 public schools and 50million students in the US, this market area has enormous potential.

We have several different pricing structures, each based on the specific sales channel. *Big Sandy Organics'* direct-to-consumer or "online" pricing gives us an average gross margin of roughly 60%. Our direct wholesale pricing, which is "direct to retailer," is set on a 50% gross margin, with "distributor pricing" set at 40%. Our other component is "Private Label" manufacturing, which works roughly around a 30-35% gross margin.

7.0 FINANCIALS OVERVIEW

7.0 Financials Overview

7.1 Annual Projected Cash Flow - *Big Sandy Organics*

ANNUAL PROJECTED CASH FLOW					
Company Name:	1:1				
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash on Hand	\$ 100,000	\$ 204,150	\$ 300,400	\$ 1,323,888	\$ 2,766,421
Online Sales	\$ 71,000	\$ 120,000	\$ 150,000	\$ 175,000	\$ 200,000
Wholesale/Distributor Sales	\$ 185,000	\$ 112,000	\$ 300,000	\$ 500,000	\$ 750,000
FoodNanny/YoungLiving	\$ 527,000	\$ 1,660,000	\$ 4,000,000	\$ 6,000,000	\$ 8,000,000
Total Cash Receipts	\$ 783,000	\$ 1,892,000	\$ 4,450,000	\$ 6,675,000	\$ 8,950,000
Total Cash Available	\$ 783,000	\$ 2,096,150	\$ 4,750,400	\$ 7,998,888	\$ 11,716,421
Cost of Goods Sold	\$ 211,100	\$ 473,000	\$ 1,335,000	\$ 2,002,500	\$ 2,685,000
Gross Wages	\$ 270,000	\$ 635,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
Payroll Expense	\$ 27,000	\$ 63,500	\$ 100,000	\$ 150,000	\$ 200,000
Supplies (office & operating)	\$ 39,150	\$ 64,850	\$ 142,512	\$ 239,967	\$ 351,493
Repairs and Maintenance	\$ 9,000	\$ 18,000	\$ 24,000	\$ 30,000	\$ 36,000
Advertising	\$ 12,000	\$ 24,000	\$ 50,000	\$ 100,000	\$ 150,000
Car, Delivery, and Travel	\$ 24,000	\$ 27,000	\$ 50,000	\$ 100,000	\$ 100,000
Accounting and Legal	\$ 13,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000
Rent	\$ -	\$ -	\$ -	\$ -	\$ -
Phone/Internet	\$ 8,600	\$ 12,000	\$ 15,000	\$ 20,000	\$ 20,000
Utilities	\$ 21,600	\$ 36,000	\$ 50,000	\$ 65,000	\$ 80,000
Insurance	\$ 26,000	\$ 52,000	\$ 20,000	\$ 25,000	\$ 30,000
Interest-Bank *	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	\$ -	\$ 220,000	\$ 500,000	\$ 750,000	\$ 1,000,000
Other Expenses	\$ 24,000	\$ 24,000	\$ 30,000	\$ 35,000	\$ 40,000
Sub-total	\$ 685,450	\$ 1,654,350	\$ 3,326,512	\$ 5,032,467	\$ 6,712,493
Loan Principal Payment-Bank *	\$ 49,400	\$ 62,400	\$ 100,000	\$ 200,000	\$ 200,000
Capital Purchases	\$ 55,000	\$ 100,000	\$ -	\$ -	\$ -
Other Startup Costs / Debt	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Income Tax Reserve	\$ -	\$ -	\$ -	\$ -	\$ -
Owners Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Paid Out	\$ 824,850	\$ 1,816,750	\$ 3,426,512	\$ 5,232,467	\$ 6,912,493
Cash Position	\$ 204,150	\$ 300,400	\$ 1,323,888	\$ 2,766,421	\$ 4,803,929

7.2 Project Sources & Uses of Funds - *Big Sandy Organics*

PROJECT SOURCES & USES OF FUNDS							
Business Name:		Big Sandy Organics				Date Prepared: 08/01/21	
USES OF FUNDS		SOURCES OF FUNDS					
Bills & Expansion	Amount	Source	Term	Estimated		Amount	Annual
				Rate	Collateral		Debt Service
PayPal- (Credit Service)	\$ 5,000.00						
Chase - (Credit Card)	\$ 19,000.00						
MT Flour & Grain - (Raw Kamut)	\$ 12,000.00						
Epac - (Packaging)	\$ 12,000.00						
Behalf- (Credit Service)	\$ 5,000.00						
Containers (2x40")	\$ 15,000.00						
Current Building Expansion	\$ 25,000.00						
Forklift	\$ 10,000.00						
Total Current Cash Need	\$ 103,000.00						
New Facility Planning & Design work	\$25,000						
Land Purchase/ Impact Studies	\$150,000						
Foundation Concrete	\$100,000						
SteelBuilding	\$250,000						
HAVC System	\$50,000						
Electrical	\$50,000						
Super Sack Loader	\$35,000						
De-stoner/Screener	\$50,000						
Blancher/Boiler	\$250,000						
Contineous Fryer	\$250,000						
Centerfuge	\$50,000						
Seasoning Station	\$25,000						
Conveyers	\$50,000						
Vertical Form Fill Packager	\$250,000						
Horizontal Pouch Fill Packager	\$250,000						
Case Packer	\$75,000						
Total New Facility -1 Line	\$1,910,000						
Total Uses of Funds:	#####	Total Sources of Funds				\$0	\$ -
Current Main Revenue Sources	Avg. Monthly						
FoodNanny	\$ 20,000						
Wholesale	\$ 8,000						
Online	\$ 6,000						
	\$ 34,000						
New Projects							
YoungLiving	\$ 100,000						
Farver Farms Lentils	\$ 5,000						
Farmerlicious Organic Lentils	\$ 2,000						
Timeless Seeds Pulse Lentils	\$ 5,000						
DowOn America (Korean Exporter)	\$ 10,000						
	\$ 122,000						

7.3 Projected Balance Sheet - *Big Sandy Organics*

PROJECTED BALANCE SHEET							
Marketing ROI	1:1						
	At Start-up	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	
Current Assets:							
Cash	\$ 15,000	\$ 204,150	\$ 300,400	\$ 1,323,888	\$ 2,766,421	\$ 4,803,929	
Accounts Receivable	\$ 15,000	\$ -					
Merchandise Inventory	\$ 50,000	\$ -					
Total Current Assets	\$ 80,000	\$ 204,150	\$ 300,400	\$ 1,323,888	\$ 2,766,421	\$ 4,803,929	
Fixed Assets:							
Land	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
Building	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	
Equipment	\$ 290,000	\$ 290,000	\$ 1,540,000	\$ 1,540,000	\$ 1,540,000	\$ 1,540,000	
Vehicles	\$ 5,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Expansion/ New Building		\$ 50,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	
Depreciation		\$ 20,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	
Total Fixed Assets	\$ 465,000	\$ 440,000	\$ 2,220,000	\$ 2,180,000	\$ 2,140,000	\$ 2,100,000	
Total Assets	\$ 545,000	\$ 644,150	\$ 2,520,400	\$ 3,503,888	\$ 4,906,421	\$ 6,903,929	
Current Liabilities:							
Accounts Payable	\$ 50,000	\$ -					
Other Current Liabilities-Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Current Portion LTD-Bank Loan		\$ 49,400	\$ 62,400	\$ 100,000	\$ 200,000	\$ 200,000	
Current Portion LTD-Other Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Current Liabilities	\$ 50,000	\$ 49,400	\$ 62,400	\$ 100,000	\$ 200,000	\$ 200,000	
Long-term Liabilities							
Note Payable		\$ -	\$ -	\$ -	\$ -	\$ -	
Bank Loan Payable	\$ 365,000	\$ 340,000	\$ 1,000,000	\$ 900,000	\$ 700,000	\$ 500,000	
Other long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total long-term liabilities	\$ 365,000	\$ 340,000	\$ 1,000,000	\$ 900,000	\$ 700,000	\$ 500,000	
Total liabilities	\$ 415,000	\$ 389,400	\$ 1,062,400	\$ 1,000,000	\$ 900,000	\$ 700,000	
Net Worth: Owner's Equity	\$ 130,000	\$ 254,750	\$ 1,458,000	\$ 2,503,888	\$ 4,006,421	\$ 6,203,929	
Total Liabilities and Net Worth	\$ 545,000	\$ 644,150	\$ 2,520,400	\$ 3,503,888	\$ 4,906,421	\$ 6,903,929	
Working Capital	\$ 30,000	\$ 154,750	\$ 238,000	\$ 1,223,888	\$ 2,566,421	\$ 4,603,929	
Current Ratio		160% :1	5 :1	13 :1	14 :1	24 :1	
Quick Ratio		4 :1	5 :1	13 :1	14 :1	24 :1	
Debt-to-Equity		2 :1	1 :1	0 :1	0 :1	0 :1	

7.4 Projected Income Statement - Big Sandy Organics

PROJECTED INCOME STATEMENT										
Marketing ROI	1:1									
	Year 1		Year 2		Year 3		Year 4		Year 5	
Income		% of Sales		% of Sales		% of Sales		% of Sales		% of Sales
Gross Receipts	\$ 783,000	100.0%	\$ 1,892,000	100.0%	\$ 4,450,000	100.0%	\$ 6,675,000	100.0%	\$ 8,950,000	100.0%
Cost of Goods	\$ 211,100	27.0%	\$ 473,000	25.0%	\$ 1,335,000	30.0%	\$ 2,002,500	30.0%	\$ 2,685,000	30.0%
Gross Profit	\$ 571,900	73.0%	\$ 1,419,000	75.0%	\$ 3,115,000	70.0%	\$ 4,672,500	70.0%	\$ 6,265,000	70.0%
Sales Increase:			142%		135%		50%		34%	
Expenses										
Employee Wages	\$ 270,000	34.5%	\$ 635,000	33.6%	\$ 1,000,000	22.5%	\$ 1,500,000	22.5%	\$ 2,000,000	22.3%
Payroll Expense	\$ 27,000	3.4%	\$ 63,500	3.4%	\$ 100,000	2.2%	\$ 150,000	2.2%	\$ 200,000	2.2%
Supplies	\$ 39,150	5.0%	\$ 64,850	3.4%	\$ 142,512	3.2%	\$ 239,967	3.6%	\$ 351,493	3.9%
Repairs and Maintenance	\$ 9,000	1.1%	\$ 18,000	1.0%	\$ 24,000	0.5%	\$ 30,000	0.4%	\$ 36,000	0.4%
Advertising	\$ 12,000	1.5%	\$ 24,000	1.3%	\$ 50,000	1.1%	\$ 100,000	1.5%	\$ 150,000	1.7%
Car, Delivery, and Travel	\$ 24,000	3.1%	\$ 27,000	1.4%	\$ 50,000	1.1%	\$ 100,000	1.5%	\$ 100,000	1.1%
Accounting and Legal	\$ 13,000	1.7%	\$ 5,000	0.3%	\$ 10,000	0.2%	\$ 15,000	0.2%	\$ 20,000	0.2%
Rent	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Telephone	\$ 8,600	1.1%	\$ 12,000	0.6%	\$ 15,000	0.3%	\$ 20,000	0.3%	\$ 20,000	0.2%
Utilities	\$ 21,600	2.8%	\$ 36,000	1.9%	\$ 50,000	1.1%	\$ 65,000	1.0%	\$ 80,000	0.9%
Insurance	\$ 26,000	3.3%	\$ 52,000	2.7%	\$ 20,000	0.4%	\$ 25,000	0.4%	\$ 30,000	0.3%
Interest-Bank	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Health Insurance	\$ -	0.0%	\$ 220,000	11.6%	\$ 500,000	11.2%	\$ 750,000	11.2%	\$ 1,000,000	11.2%
Misc.	\$ 24,000	3.1%	\$ 24,000	1.3%	\$ 30,000	0.7%	\$ 35,000	0.5%	\$ 40,000	0.4%
Depreciation	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Expenses	\$ 474,350	60.6%	\$ 1,181,350	62.4%	\$ 1,991,512	44.8%	\$ 3,029,967	45.4%	\$ 4,027,493	45.0%
Net Profit	\$ 97,550	12.5%	\$ 237,650	12.6%	\$ 1,123,488	25.2%	\$ 1,642,533	24.6%	\$ 2,237,507	25.0%
Less Income Taxes	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Net Profit after Taxes	\$ 97,550	12.5%	\$ 237,650	12.6%	\$ 1,123,488	25.2%	\$ 1,642,533	24.6%	\$ 2,237,507	25.0%
DEBT SERVICE ANALYSIS										
Net Profit After Taxes	\$ 97,550		\$ 237,650		\$ 1,123,488		\$ 1,642,533		\$ 2,237,507	
Interest	\$ -		\$ -		\$ -		\$ -		\$ -	
Depreciation	\$ -		\$ -		\$ -		\$ -		\$ -	
Available for Debt Service	\$ 97,550		\$ 237,650		\$ 1,123,488		\$ 1,642,533		\$ 2,237,507	
Debt Service	\$ 49,400		\$ 62,400		\$ 100,000		\$ 200,000		\$ 200,000	
Net Profit After Debt Service	\$ 48,150		\$ 175,250		\$ 1,023,488		\$ 1,442,533		\$ 2,037,507	
Debt Service Coverage	\$ 2 :1		\$ 4 :1		\$ 11 :1		\$ 8 :1		\$ 11 :1	

