

First Class Packaging, Incorporated – Terms and Conditions of Sale

All orders are accepted and all sales are made subject to the provisions of the written contract between First Class Packaging and the purchaser including the following provisions, or if no such contract exists, subject only to the terms on the invoice and to the following provisions:

1. EXAMINATION-SUITABILITY-CLAIMS: You should examine and test each shipment promptly on arrival and before any part of the goods has been changed from its original condition. We will recognize no claims for any cause after the goods have been processed or changed in any manner. It is your responsibility to determine whether the goods are suitable for your contemplated use, whether or not such use is known to First Class Packaging.

2. DELIVERY AND FREIGHT: Unless otherwise stated on the invoice, delivery of all goods is FOB our facility. We will pay freight on the order only if so stated on the invoice. If we pay the freight, we have the right to designate routing and means of transportation. You may direct other routing and means; however, you will pay any extra costs involved.

3. WARRANTIES:

GOODS: We warrant that goods manufactured and sold by First Class Packaging are free from defects in material and workmanship provided normal use and proper maintenance. For items that fall under the original equipment manufacturer's warranty, First Class Packaging will facilitate communication between customer and OEM for satisfaction of warranty claims. The term of the warranty shall be as stated on the specification or price sheet supplied with the goods. In the absence of a specific statement of the term of the warranty on the specification or price sheet, the warranty shall expire 10 days after shipment of the goods.

Shipping charges on returned parts will be paid by First Class Packaging only if prior approval is obtained. Warranties do not apply if any modifications, alterations, or additions are made to goods without our prior written approval or if repairs are made by persons other than authorized factory representatives.

ON-SITE SERVICES: We warrant that services provided in the packaging or construction of items will be completed to customer satisfaction. Unless otherwise stated, the term of this warranty shall expire 5 days after on-site services are provided.

PATENT: We warrant that the custom goods manufactured by First Class Packaging will not in themselves infringe on any United States patent. We assume no obligation for patent infringement resulting from the use of the goods in combination with any other material or in the operation of process. We may discontinue delivery of the goods if in our opinion their manufacture, sale or use may constitute patent infringement.

FLSA: We warrant that in the production of the goods there has and will be no violation by First Class Packaging of Section 6.7 or 12 (as amended) of the United States Fair Labor Standards Act of 1938 or any order of the administrator issued under Section 14 of the Act. This warranty shall only apply to goods sold and delivered within the United States.

You agree that our liability under the foregoing warranties for any goods sold or delayed in shipment or not shipped, is limited, at our option, (a) to replacement, (b) to repair or (c) to rework and that we

shall in no event be liable for general, special, incidental indirect, consequential punitive or penal damages.

THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, EXCEPT THE FOREGOING EXPRESS WARRANTIES AND NONE SHALL BE IMPLIED BY LAW. ALL WARRANTIES, EXPRESS AND IMPLIED, ARE EXCLUDED WHEN THE GOODS ARE SOLD "AS IS."

4. TECHNICAL ADVICE: Any technical advice furnished before or after delivery regarding the use of the goods is furnished on the basis that it represents our best judgment under the circumstances but that it is used at your sole risk. Notwithstanding any technical advice given to you, you should test the application of our products to determine the suitability of the product for your intended use.

5. OVERAGES AND UNDERAGES: Overages and underages of goods ordered shall be in accordance with our current practice. Unless specifically agreed to in writing, a variation in quantity of approximately 10% will be accepted as satisfactory delivery.

6. CREDIT AND PAYMENT: Credit is at all times subject to approval and review of our Credit Department. Unless otherwise stated, payment terms are net thirty (30) days with a discount of 1% offered when the customer pays within 10 days. Orders from delinquent customers will not be shipped until overdue balances have been paid. A service charge of 1.5% per month will be added to all past due amounts. Customer shall reimburse us for any costs incurred in collection of amounts owed, including reasonable attorney's fees and costs.

7. RETURNS: No claims will be recognized for goods disposed of or returned without our written consent, and no shipping costs on returns will be paid unless previously authorized in writing. Returns are subject to a 15% restocking fee. Custom goods may not be returned.

8. TAXES: In the absence of proper evidence of exemption supplied to First Class Packaging, you will reimburse First Class Packaging for all taxes, excise or other charges which we may be required to pay to any government (national, provincial, or local) assessed upon the production, storage, sale, transportation and/or use of the goods identified on this invoice.

9. ENTIRE CONTRACT: Unless specifically incorporated herein by reference, no written or oral understandings, representations or warranties regarding the subject matter of this agreement and predating the date of this agreement shall be of any effect. No changes or additions are effective unless agreed to by First Class Packaging in writing. To the extent that this invoice contains charges for service under a separate service agreement between First Class Packaging, the terms of that service agreement are incorporated herein by reference.

10. GOVERNING LAW: The rights and obligations under this agreement are governed by the national and local laws applicable in the jurisdiction in which our facility issuing the invoice is located.

11. MISCELLANEOUS: This contract is not assignable or transferable without the prior written consent of the president of First Class Packaging or other authorized party designated by the president.