



TERMS AND CONDITIONS OF SALE

These terms and conditions ("terms") are applicable to any order to which they are attached or any order which incorporates them by reference. All orders are accepted and all sales are made subject to the provisions of the written contract between Larson Packaging Company, LLC or Larson Packaging Holdings, Inc., in either case, dba First Class Packaging and/or dba Larson Packaging Company ("Manufacturer") and the Purchaser, including the following provisions, or if no such contract exists, subject only to the terms on Manufacturer's invoice and to the following provisions:

1. EXAMINATION-SUITABILITY-CLAIMS: Purchaser should examine, count and test each shipment promptly on arrival and before any part of the products have been changed from their original condition. Manufacturer will recognize no claims for any cause after the products have been processed or changed in any manner. If there is any damage or discrepancy between a packing list and products delivered, shortages, or other errors, Purchaser must immediately file a claim with the carrier and/or Manufacturer, within ten (10) days following delivery of the products. It is Purchaser's responsibility to determine whether the products are suitable for Purchaser's contemplated use, whether or not such use is known to Manufacturer. Failure to make a claim shall be deemed full acceptance of the products delivered and a waiver of any and all such claims.

2. DELIVERY AND FREIGHT: Unless otherwise stated on the invoice, delivery of all products is FOB Manufacturer's facility. Delivery to be completed within ten (10) days of the date set forth on the order form, provided that delays caused by suppliers to Manufacturer or third-party carriers may delay delivery. Manufacturer shall strive to advise Purchaser of any such delays which are expected to result in delays in the delivery. All products will be shipped as set forth on the order or according to shipping instructions provided by Purchaser or, if none, by the best route and mode of transportation as determined by Manufacturer in its discretion. Manufacturer will pay freight on the order only if so stated on the invoice. If Manufacturer pays the freight, Manufacturer has the right to designate routing and means of transportation. Purchaser may direct other routing and means; however, Purchaser will pay any extra costs involved. The risk of loss shall transfer to Purchaser at the time the products are delivered at the place of origin.

3. WARRANTIES:

a. PRODUCTS: Certain of Manufacturer's products (such as its Pelican and ATA Cases are provided with a warranty separate from the warranties set forth in this Section 3. In such cases, the terms of any such separate warranty shall apply in lieu of this Section 3. Manufacturer warrants that products manufactured and sold by Manufacturer are free from defects in material and workmanship provided normal use and proper maintenance. If Purchaser believes any products do not comply with such warranty, Purchaser shall, within the warranty period, report the purported defect to Manufacturer and cooperate fully with Manufacturer in determining the conditions and cause of any purported defect. For items that fall under the original equipment manufacturer's warranty, Manufacturer will facilitate communication between Purchaser and the manufacturer for satisfaction of warranty claims. In the absence of a specific statement of the term of the warranty on the invoice, specification or price sheet, the warranty shall expire 10 days after shipment of the products. Shipping charges on returned parts will be paid by Manufacturer only if prior approval is obtained. Warranties do not apply if any modifications, alterations, or additions are made to products without Manufacturer's prior written approval or if repairs are made by persons other than authorized factory representatives. In the event Purchaser establishes a breach of the above warranty, your exclusive remedy against Manufacturer, and Manufacturer's sole liability, is, at its option, the replacement of the defective product or the refund of the purchase price therefor. Purchaser acknowledges that given the nature of the



product removal of defective product may not be reasonably feasible, and Manufacturer shall have no obligation to remove or dispose of any defective product.

b. PATENT: No warranty of infringement is provided by Manufacturer with respect to products, excepting only custom products both designed and manufactured by Manufacturer ("Custom Products"). Manufacturer warrants that Custom Products, will not in themselves infringe on any United States patent in existence at the time of their production. Manufacturer assumes no obligation for patent infringement resulting from the use of any products in combination with any other material or in the operation of process. Manufacturer may discontinue delivery of any products if in Manufacturer's opinion their manufacture, sale or use may constitute patent infringement.

c. FLSA: Manufacturer warrants that in the production of the products there has and will be no violation by Manufacturer 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 products sold and delivered within the United States.

d. REMEDIES: Purchaser agrees that Manufacturer's liability under the foregoing warranties for any products sold or delayed in shipment or not shipped, is limited, at Manufacturer's option, (a) to replacement, (b) to repair or (c) to rework and that MANUFACTURER SHALL IN NO EVENT BE LIABLE FOR GENERAL, SPECIAL, INCIDENTAL INDIRECT, CONSEQUENTIAL PUNITIVE OR PENAL DAMAGES, WHETHER FORESEEABLE OR UNFORESEEABLE, INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR LOSS OF GOODWILL, PROFITS, USE OF MONEY OR USE OF PRODUCTS, STOPPAGE OF OTHER WORK OR IMPAIRMENT OF OTHER ASSETS, ARISING OUT OF BREACH OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, EXCEPT ONLY IN THE CASE OF PERSONAL INJURY WHERE AND TO THE EXTENT THAT APPLICABLE LAW REQUIRES SUCH LIABILITY.

e. 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 EXPRESS WARRANTIES SET FORTH IN THESE TERMS AND NONE SHALL BE IMPLIED BY LAW. ALL WARRANTIES, EXPRESS AND IMPLIED, ARE EXCLUDED WHEN THE PRODUCTS ARE SOLD "AS IS."

4. EXPRESS LIMITATIONS/INDEMNITY: Purchaser acknowledges that Purchaser has made its own investigation of the potential results of the use or application of the products and the factors affecting the same and expressly assumes the risk that the desired results will not be achieved or that adverse results will occur. Purchaser shall indemnify, defend, and hold Manufacturer harmless from and against any and all actual or alleged claims, demands, costs, liabilities, penalties, damages and expenses, including actual attorney's, consultant's and expert's fees and costs, arising out of or relating to Purchaser's use or application of the products.

5. DESIGN & TECHNICAL ADVICE: Any technical advice furnished before or after delivery regarding the use of the products is furnished on the basis that it represents Manufacturer's best judgment under the circumstances, but that it is used at Purchaser's sole risk. Notwithstanding any technical advice given to Purchaser, Purchaser should test the application of Manufacturer's products to determine the suitability of the product for Purchaser's intended use. Any design work provided by Manufacturer is provided for convenience only on an "as is" basis. Manufacturer does not warrant the design of any products or that the products will be suitable for Purchaser's particular use. All engineering and designs created or developed by Manufacturer or in conjunction with Purchaser for packaging of products and similar drawings are Manufacturer's property. Purchaser hereby assigns any rights therein to Manufacturer. Any designs or



drawings may only be used for the manufacture of packaging by Manufacturer. Purchaser may not reverse engineer any Manufacturer designs or products or permit anyone other than Manufacturer to manufacture packaging using Manufacturer's designs.

6. OVERAGES AND UNDERAGES: Overages and underages of products ordered shall be in accordance with Manufacturer's current practices. Unless specifically agreed to in writing, a variation in quantity of approximately 10% will be accepted as satisfactory delivery.

7. CREDIT AND PAYMENT: Credit is at all times subject to approval and review of Manufacturer's Credit Department. Manufacturer may invoice upon shipment or upon availability of products at will call, and reserves the right to invoice in advance of production when deemed appropriate by Manufacturer. Any undelivered product held over 30 days will be invoiced and may incur storage charges. Unless otherwise stated, payment terms are net ten (10) days. Quotes for blanket orders subject to review and adjustment every 90 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 until paid in full. Manufacturer may require payment in cash, security or other adequate assurance satisfactory to Manufacturer when, in Manufacturer's opinion, the financial condition of Purchaser or other grounds for insecurity warrant such action. Manufacturer retains a purchase money security interest in all products until Purchaser has made payment in full. Any action to collect any sums due under these Terms may be brought in Santa Clara County, California, and the parties consent to jurisdiction and venue in such County. Purchaser shall reimburse Manufacturer for any costs incurred in collection of amounts owed, including reasonable attorney's fees and costs.

8. EXPENSES: If so requested by Manufacturer, Purchaser shall prepay the transportation, insurance charges and other expenses connected with the delivery of the products hereunder and add a separate charge, which represents such prepaid charges, to the invoice accompanying the products shipped.

9. RETURNS: No claims will be recognized for products disposed of or returned without Manufacturer's 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 products may not be returned.

10. TAXES: Prices quoted do not include sales tax. In the absence of proper evidence of exemption supplied to Manufacturer, Purchaser will reimburse Manufacturer for all taxes, excise, privilege, sales, and value-added taxes or other charges, including all custom duties, levies or franchise fees, which we may be required to pay to any government (national, provincial, or local) assessed upon the production, storage, sale, transportation, exportation, importation and/or use of the products.

11. TOOLING SERVICE AND PROCUREMENT PLAN: Manufacturer's tooling charge is for Program of Design, Service, Storage, Maintenance and Procurement of tooling including but not limited to Steel Rule Cutting dies and Printing Plates. Manufacturer will ensure that all tooling in Manufacturer's possession meets or exceeds current industry standards and continues to function properly over the life of the project. Tooling shall remain the property of Manufacturer and Manufacturer shall have no liability for loss or damage to Tooling. Inactive tooling for 30 consecutive months shall be disposed of unless other arrangements are requested in writing.

12. ENTIRE CONTRACT: Unless specifically incorporated herein by reference, no written or oral understandings, representations or warranties regarding the subject matter of this agreement or predating the



date of this agreement shall be of any effect. No changes or additions are effective unless agreed to by Manufacturer in writing. To the extent that this invoice contains charges for services under a separate service agreement between Purchaser and Manufacturer, the terms of that service agreement shall apply with respect to such services. ADDITIONAL OR DIFFERENT TERMS, WHETHER IN AN ACKNOWLEDGMENT, INVOICE OR OTHER DOCUMENT, SHALL NOT BECOME PART OF THESE TERMS UNLESS AGREED TO IN WRITING BY MANUFACTURER.

13. FORCE MAJEURE: Except for payment obligations, neither party will be liable for any failure or delay in performing an obligation under these Terms that is due to causes beyond its reasonable control, such as natural catastrophes, pandemics or epidemics, governmental acts or omissions, laws or regulations, labor strikes or difficulties, transportation stoppages or slowdowns or the inability to procure parts or materials. If any of these causes continues to prevent or delay performance for more than ninety (90) days, the affected party may terminate these Terms, in whole or in part, effective immediately upon notice to the other party.

14. PRICING ADJUSTMENTS: All prices are subject to increase, upon notice to Purchaser, due to increases in the costs of materials, whether caused by scarcity, increased labor costs, increased supplier pricing, inflation, delays, shipping changes, and other causes beyond the reasonable control of Manufacturer. Without limiting the foregoing, prices quoted with respect to blanket purchase orders are good for no more than thirty (30) days.

15. GOVERNING LAW: The rights and obligations under this agreement are governed by, construed and enforced in accordance with the laws of the State of California, excluding its conflict of law rules.

16. MISCELLANEOUS: This contract is not assignable or transferable without the prior written consent of Manufacturer.

17. WAIVER: Failure by Manufacturer to strictly enforce any provision of these Terms shall not be deemed a waiver of such provision or create a course of dealing between the parties pursuant to which performance is not required.

18. TERMINATION: Without limiting its remedies available at law, Manufacturer reserves the right to terminate these Terms or suspend delivery by written notice to Purchaser if Purchaser fails to make payment within the time specified or fails to accept delivery within the time specified or objects to pricing adjustments made in accordance with these Terms. In the event of any termination of these Terms or any order, Purchaser shall be responsible for the costs of any work completed up through the date of termination, the costs of design fees or raw materials ordered by Manufacturer and, in the event of wrongful termination by Purchaser, Manufacturer's lost profits.