

SPR PACKAGING - TERMS AND CONDITIONS OF SALE

Acceptance by Seller of Buyer's offer to purchase is expressly conditioned upon, and subject to, the following terms and conditions:

1. **OFFER AND ACCEPTANCE:** Buyer's order constitutes an offer to Seller, which is subject to written acceptance by Seller. Seller's written acceptance may be in the form of an order acknowledgment, written sales contract, contemplating transactions over a particular period of time, or in the form of an invoice issued in conjunction with the delivery of Product ordered by Buyer. Any of the aforementioned acceptances by Seller shall incorporate these Terms and Conditions.
2. **PAYMENT TERMS AND CREDIT:** Unless indicated otherwise, payment terms shall be Net 30. Buyer agrees to pay interest on past due invoices at the monthly rate of 1.5% (18% per annum), payable on the first day of default and on the first day of every month thereafter until paid in full. Buyer also shall pay to Seller, on demand, all expenses, including reasonable legal fees, incurred by Seller in protecting or enforcing any of its rights under this Agreement. Seller may, at its sole discretion, grant credit to the Buyer in respect of Product purchased hereunder upon such terms and conditions as Seller may establish from time to time. Buyer agrees and acknowledges that Seller may at any time refuse to grant or extend credit to Buyer, or that Seller may demand immediate payment of all indebtedness outstanding in respect of Product purchased hereunder.
3. **TAXES:** Any tax, excise or governmental charge, imposed on the production, sale, use or transportation of or value added to any material sold hereunder which Seller may be required to pay (other than income or gross receipts taxes of Seller) shall be paid by Buyer to Seller in addition to the purchase price. Buyer shall provide Seller, upon request, with completed exemption certificates for any tax from which Buyer claims exemption.
4. **DELIVERY AND FORCE MAJEURE:** Shipping dates are approximate and based upon Seller's best efforts. Seller shall be excused from a failure to perform this sales transaction and delivery because of causes beyond the control of Seller including, but not limited to acts of God, casualties, labor disturbances, or inability to obtain transportation or materials and Seller shall be subject to no penalty or liability for such failure and shall in no event be held responsible for loss of profits, damages incurred by the Buyer, its customers, or other incidental or consequential damages that may result therefrom.
Buyer's order must ship complete within 90 days of first ship date or make-ready date. Product will be warehouse billed after 120 days and storage charges will begin after 150 days at the monthly rate of 1.5% (18% per annum), payable on the first day of default and on the first day of every month thereafter until paid in full.
5. **INSPECTION AND CLAIMS:** Buyer shall inspect and test all Product delivered hereunder for damage, defect or shortage upon receipt and before use or incorporation into any manufacturing or other process, and shall notify Seller of any damage, defect, or shortage within ten (10) days of receipt. Buyer assumes all risks for use of non-conforming Product. All claims for any cause whatsoever, whether based in contract, negligence, or other tort, strict liability, breach of warranty or otherwise, shall be deemed waived unconditionally and absolutely unless Seller receives written notice of such claim not later than thirty (30) days after delivery.
Buyer hereby extends to Seller right of entry upon the premises of Buyer or its agents, in order for Seller to inspect the Seller goods sold hereby. Buyer agrees to cooperate with Seller to determine the cause of any claimed defects, including, but not limited to, extending to Seller the right to process, run, and operate any and all equipment or machines of Buyer or its agents used to process or fabricate Seller's goods. Seller retains the right to inspect the use by Buyer or its agents of the Seller's goods to determine the validity and cause of any defects claimed by Buyer in Seller's goods.
6. **RETURNS:** No return of goods or merchandise by Buyer to Seller shall be considered a return of merchandise for credit accepted by Seller, regardless of the conduct of Seller in regard to the goods so returned, without the prior written authorization by Seller of such return.
7. **CANCELLATION:** This order cannot be canceled other than in writing. Upon receipt of written Notice of Cancellation, Seller will take all reasonable actions to minimize additional expenses; however, Buyer will be responsible for portions of orders completed at the rate specified plus all expenses incurred by Seller in connection with the order and its cancellation.
8. **OVERRUNS AND UNDERRUNS:** Seller reserves the right to ship and invoice and Buyer agrees to accept and pay for overruns or underruns at the rate specified in accordance with the following schedule for items invoiced per thousand units:

On any order of 100,000 units or over	+/- 20%
On any order of 50,000 to 99,999 units	+/- 25%
On any order of less than 50,000 units	+/- 35%

Shipments within the above parameters shall constitute complete fulfillment of the order by Seller.

SPR PACKAGING - TERMS AND CONDITIONS OF SALE (CON'T)

9. **LIMITED WARRANTY:** The warranties described in this paragraph are in lieu of all other warranties. Seller warrants that the Product supplied by Seller to Buyer shall, when delivered, conform to the written specifications that have been agreed to by the parties in writing. SELLER EXPRESSLY LIMITS ITS WARRANTY TO THE TERMS SET FORTH ABOVE AND HEREBY EXCLUDES ALL OTHER WARRANTIES EXPRESS OR IMPLIED, IN PARTICULAR EXCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE, WHETHER OR NOT THAT PURPOSE IS KNOWN TO SELLER. SELLER LIKEWISE LIMITS THE REMEDIES AVAILABLE TO replacement of the defective Product or refund of the purchase price paid therefore, as Buyer elects. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE COST OF THE PRODUCT FURNISHED IN ACCORDANCE WITH THIS LIMITED WARRANTY, AND SUBJECT TO ANY CLAIM HEREUNDER. IN NO EVENT SHALL THIS WARRANTY BE EXPANDED BY ANY ADVICE, EXPERIMENTATION OR OTHER PARTICIPATION WHICH SELLER MAY RENDER, IN THE DESIGN, DEVELOPMENT OF MATERIALS, TOOLS, PARTS, ETC., FOR BUYER'S USES OR PRODUCTS. WHETHER RELATED TO FUNCTIONAL OR AESTHETIC PURPOSES, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF INCOME, LOSS OF PROFITS, OR ANY OTHER FORM OF CONSEQUENTIAL OR INDIRECT DAMAGES WHATSOEVER.
10. **INDEMNIFICATION:** Buyer assumes all risk and responsibility for handling of the Product following delivery, for the results obtained by the use of the Product in a manufacturing process or otherwise, and for the results obtained by the use of the Product in combination with other substances, irrespective of the fact that such use or handling of Product is in accordance with any description, advice or suggestion of Seller.
- Buyer will indemnify Seller against any liability (whether strict or otherwise) for any claim, loss or expense, direct or indirect, on account of any injury, disease or death of any person (including Buyer's employees) or damage to property (including Buyer's) arising out of Buyer's transportation, storage, handling, sale, use in any manufacturing process or disposal of the Product. The provisions of this paragraph will survive expiration or other termination of this Agreement.
11. **SEVERABILITY AND WAIVER:** Should any provision hereof be or become illegal or unenforceable, the remaining provisions shall remain in force and be binding upon the parties. Any waiver by a party of the other's breach of any term or condition of this Agreement shall not be construed as or be deemed to be a waiver of any future breach of such term or condition.
12. **SOLE AGREEMENT:** This contract contains the entire agreement of the parties, and no representations, inducements, promises, or agreements, or otherwise between the parties not embodied herein shall be of any force or effect.
13. **ASSIGNMENT:** This Agreement may not be assigned in whole or in part by Buyer, whether by operation of law or otherwise, without the express prior written consent of Seller.
14. **APPLICABLE LAW:** The rights and duties of all persons and the construction and effect of all provisions hereof shall be governed by and construed by the Uniform Commercial Code as enacted and enforced in the State of Texas.