

**TERMS, CONDITIONS, AND WARRANTY**

NOTICE TO BUYER - TERMS AND CONDITIONS OF SALE. This Proposal of A Packaging Systems, LLC (hereinafter "Seller") with respect to the sale of Products described in this Proposal is subject to all of the Terms and Conditions of Sale including Limitations of Warranty stated in this Proposal. "Products" shall mean any and all equipment as listed on the accompanying proposal and any other products manufactured and/or sold by Seller and any ancillary services provided by Seller.

Stenographic and clerical errors are subject to correction. No additions or modifications hereto shall be valid unless confirmed in writing by Seller. **SELLER IS NOT BOUND TO FURNISH THE PRODUCTS EXCEPT IN ACCORDANCE WITH THE TERMS OF THIS PROPOSAL.**

Seller reserves the right to refuse any order for any reason. This proposal shall not be deemed accepted by Seller and a binding contract formed until 1) 50% down payment of the order is received and deposited and 2) the Order Specifications Data form is completed and approved by Senior Management of A Packaging Systems.

1. PRICES/PAYMENT TERMS Prices are F.O.B. point of shipment unless otherwise specified. Quoted prices are valid for 30 days from the date of quotation. Terms are 50% down payment with order; remaining balance due prior to shipment unless otherwise specified. All applicable taxes are to be paid by the Purchaser. Any unpaid invoice amounts will be subject to carrying charges of 1-1/2% per month.

2. TITLE/SECURITY/REPOSSESSION Title to the product shall remain with Seller, and Purchaser expressly grants Seller a full purchase money security interest in any and all equipment sold until Purchaser receives the physical possession of and has fully paid for the equipment. Purchaser agrees that Seller may execute and file UCC-1 forms with or without the Purchaser's signature in order to perfect such security interest. In event of failure to make payment, Seller's actual costs of collection, including court costs, additional litigation expenses, and attorneys fees and costs will be the responsibility of the Purchaser. Seller shall have the right to immediately remove and/or render inoperable any equipment upon any default of payment or bankruptcy, of Purchaser. Purchaser agrees to provide Seller with access to the equipment for purposes of deactivation, removal and repossession. Purchaser represents that all equipment provided by Seller will be free and clear of all liens and encumbrances, and that Purchaser will become sole owner of the equipment and will have good, marketable title to the equipment upon full payment to Seller.

3. SHIPMENT/DELIVERY/DELAY Every effort will be made to meet any shipping dates in this proposal but such dates are not guaranteed and may be subject to delays due to causes beyond the Seller's control. Where shipment is deferred at the Purchaser's request in excess of 30 calendar days beyond the date of completion of equipment, and notification in writing by the Seller to the Purchaser of that completion, the order may be subject to invoicing, payment, and storage charges from the date of completion. Reasonable delays may be permitted under special circumstances, but will be subject to the discretion of the Seller. Unless otherwise provided by this Proposal or agreed to by Seller in writing, price and delivery terms shall be F.O.B. shipping point, freight prepaid or freight collect to destination. If shipped freight prepaid, the charge for freight will be added to the invoice. Neither freight charges nor tax is subject to any discount.

4. IDENTIFICATION AND RISK OF LOSS Identification of the product under Section 2-501 of the Uniform Commercial Code, as adopted by the law of the State of Indiana, shall occur at the moment Purchaser's order is shipped by Seller, unless otherwise noted. Risk of Loss of the product shall pass to Purchaser upon identification and Purchaser shall insure the goods supplied against all loss with any loss payable to Seller until goods are paid for in full by Purchaser. Seller is not responsible for damage or loss of products after identification.

5. MACHINERY PERFORMANCE GUARANTEE / DISCLAIMER Seller tests and guarantees all equipment to performance levels indicated on the Order Specification Confirmation Form. If no specific product performance data is indicated by the Purchaser or if the Purchaser fails to acknowledge this data sheet, the Purchaser agrees to waive any specific performance guarantees or any guarantees of fitness of the machinery for any particular application. Seller will only guarantee performance for those products and containers that have been specifically tested by our applications engineers. The Purchaser must provide Material Safety Data Sheets for any material subject to HSC standards and submitted for testing. Seller is not responsible for failure to test any potentially hazardous material with no accompanying Material Safety Data Sheet.

Purchaser must provide a completed Order Specification Confirmation form, containing specific product, container, cap, and/or label samples for evaluation by Seller. Seller is not responsible for design misapplication of the equipment due to the failure of the Purchaser to provide adequate samples. In the case of filling machinery purchased for the purpose of filling to a specific level in the container, the Purchaser must define the cosmetic fill height of the liquid in each container in terms of distance from the top of the container. Any modifications to the machinery that are required in the field due to the failure to provide correct samples and information above shall be at the expense of the Purchaser.

Seller is not responsible for performance failures due to manufacturing variances of the Purchaser's cap and containers. The Purchaser is responsible for using caps and containers that are substantially the same as the production samples tested by Seller as described above.

Seller reserves the right to change machine designs, components and specifications at its sole discretion in order to meet the performance objectives of a project.

The machinery and specifications expressly offered in this proposal comprise the entirety of what is offered for sale. Any subsequent additions or modifications to this proposal by the Purchaser must be expressly noted on the invoice if they are to be included in the proposal. If the modification is not included in the sale documentation or invoice, it is not a part of the project and Seller shall bear no responsibility for its omission in the construction of any machinery.

6. ADEQUATE PRODUCTION TEST SAMPLES Sufficient quantities of production samples for each product container and/or cap must be supplied by the Purchaser so that testing may be accomplished. Failure of the Purchaser to provide adequate test samples prior to shipment will void any performance guarantees as outlined above. Quantities required vary with each application, and with machinery purchased, and therefore will not be listed here. Consult the Seller's Agent for quantities required. At the Purchaser's request, defined quantities of each item can be added to the final Pro-Forma Invoice.

7. BULK PRODUCT SUPPLY Unless specifically supplied by Seller in this quotation, the Purchaser is responsible for product feed and supply system(s) to work in conjunction with all filling equipment. The Purchaser is responsible for supplying any filler reservoir with product at a rate greater than or equal to 125% of the filler's output. Unless specifically supplied in this quotation, the Purchaser is responsible for level control of the product reservoir in order to guarantee filling accuracy.

8. RESPONSIBILITIES Purchaser is responsible for all permanent electrical hardwiring, including any hardwiring between Seller supplied machinery and/or control boxes. Buyer is responsible for all supply air pumping, and all incoming product supply to all machinery. Seller may provide temporary connections for testing purposes only. Purchaser is responsible for ensuring final compliance with all local codes, including but not limited to safety standards, OSHA compliance, and electrical code compliance, required certifications, and any associated costs. Due to the wide variety of products that may be run on Seller's equipment, Purchaser must be responsible for final confirmation of the material compatibility of all contact components.

9. SAFETY REQUIREMENTS Purchase of additional machine guarding and interlocked enclosures is strongly recommended. If the Purchaser declines to purchase additional guarding, the Purchaser agrees to indemnify Seller from all liabilities and suits that may arise from the Purchaser's use of this equipment.

10. CHANGES, CANCELLATION OR SUSPENSION Purchaser is responsible for paying any costs related to any change in condense construction or design required by incorrect tolerances, prints or samples submitted by Purchaser, or by changes in, specifications or requirements of, Purchaser. Purchaser is liable for all costs (including material, manufacturing, engineering, and administrative costs) incurred by Seller on equipment specially made for Purchaser. If cancellation is requested by Purchaser, then Seller reserves the right to assess Purchaser a cancellation and/or re-stocking fee, not to exceed 30% of the purchase price. Customized Parts will not be refunded.

11. CONFIDENTIALITY AND PROPRIETARY INFORMATION Technical data and layouts supplied by Seller in connection herewith are confidential pending Purchaser's acceptance of this Proposal.

12. SOFTWARE Certain of the software products provided by Seller may be owned by one or more third parties and licensed to Seller. Accordingly, Seller and Puchaser agree that such third parties retain ownership of and title to such software products. The warranty and indemnification provisions set forth herein shall not apply to software products owned by third parties and provided hereunder. Purchaser may not disassemble, de-compile or reverse engineer, copy, modify, enhance or otherwise change or supplement the software products provided hereunder without Seller's prior written consent. All software is sold "AS IS." Seller disclaims all and makes no warranties with respect to any software or with respect to the performance of any Products in conjunction with any software modified by Purchaser.

13. LIMITED WARRANTY/REMEDIES Seller warrants that all components fabricated by Seller shall be free of defective material and workmanship for a period of five years. Seller additionally warrants that all other components used in the assembly of Seller's equipment that is fabricated by others shall be free of defects for the greater of one year or the original manufacturer's warranty. Third party equipment and machinery sold by but not manufactured by Seller is subject to the original manufacturer's prevailing warranty, terms and conditions. Purchaser expressly agrees that the remedies provided herein are exclusive and that Seller will not under any circumstances be liable for loss of profits or revenue, increased costs of any kind, cost of other OEM replacement parts and other consequential and/or incidental damages or expenses. Seller warrants solely that equipment of its own manufacture will conform to contract specifications and be free from defects in workmanship. This warranty extends only to the original end user and is limited to repair or replacement in the manner and during the period provided herein which shall constitute fulfillment of all liabilities of Seller to Purchaser. Any original part or component manufactured by Seller which is found by Seller to be defective at the time of shipment will be repaired, replaced or modified by Seller provided that a written claim has been received from the Purchaser within one year of shipment and such original part or component is returned. This warranty does not apply to normal wear parts, to used items, or to any product that has been subject to misuse, misapplication, improper lubrication, neglect (including improper maintenance or storage) or accident, deterioration by chemical action or wear caused by abrasive materials. Nor does warranty apply to equipment improperly installed, modified, or repaired by the Purchaser or its service agents, vendors, etc. Purchaser is expected to provide labor for minor warranty repairs and replacements; Seller agrees to provide labor for major warranty repair issues only. Travel related expenses are the responsibility of the Purchaser in all cases.

The above warranties are exclusive and are in lieu of all warranties of merchantability, fitness for purpose or other warranties or guarantees of any kind or description, expressed or implied. There are no warranties, which extend beyond the warranties in the preceding paragraph. Seller will have no responsibility for any failure to meet any warranty caused by the failure of Purchaser or its agents to store, install, operate, inspect or maintain the equipment covered by this contract in accordance with the recommendations of Seller or, in the absence of such recommendations, in accordance with the generally accepted practices. Purchaser expressly agrees that, notwithstanding any other provision of this contract, under no circumstances shall Seller total

aggregate liability resulting from the breach of Seller obligation herein, or otherwise, exceed the price of the product on which such liability is based.

14. THIRD PARTY EQUIPMENT Unless specifically supplied in this quotation, Seller is not responsible for installation, performance, or warranty issues of third party equipment. All additional costs and delays caused by third party equipment is the responsibility of the Purchaser. Seller only offers third party equipment from reliable and responsible vendors who have similar terms and performance duties to Seller. Copies of these vendors' terms and conditions are available for review.

15. INDEMNIFICATION Purchaser shall defend, indemnify and hold Seller, its parent, subsidiaries, affiliates and divisions, and their respective officers, directors, shareholders and employees, harmless from and against any and all claims, liabilities, loss, costs, damage, expense (including reasonable attorneys' fees and costs) or injury of any kind or nature whatsoever (including, but without limitation, property damage, personal injury or death, as well as economic loss or damage) caused by, resulting from, arising out of, relating to, or occurring in connection with, the products purchased by Purchaser and/or the performance by Seller hereunder, whether such claims are premised on contract, tort (including, without limitation, strict liability or negligence), or otherwise, and shall include, but not be limited to, those arising from Purchaser's dismantling or overriding of safety devices attached to the products, failure to follow instruction manuals and product warnings, as well as other improper use of the products. This indemnity provision shall not apply where such damage or injury is attributable solely to the gross negligence of Seller

16. INSPECTION AND ACCEPTANCE Purchaser shall have the right to inspect the machinery at the time and place of delivery. Upon completion of installation, testing and training, if, and only when in our presence*, the machinery does not operate to our expressed written specifications with materials substantially identical to those supplied, you may reject the machinery. We reserve the right to make corrections to your satisfaction. If we unable to meet your satisfaction, upon written notification to and acknowledgement by Seller's Senior Management, the machinery is to be returned to our plant prepaid, in good condition and all payments made will be returned promptly. * If installation services were not purchased, Purchaser (at Purchaser's expense) may purchase the services of an APS technician or authorized representative to provide start-up assistance and training at installation site.

17. EXPORT LAWS If applicable performance by Seller is subject to U.S. export laws and regulations. Seller's failure to perform due to such laws and regulations shall not constitute a breach of this Proposal.

18. LIMITATION OF LIABILITY NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE LIABILITY OF SELLER UNDER THESE TERMS AND CONDITIONS (WHETHER BY REASON OF BREACH OF CONTRACT, TORT, INDEMNIFICATION, OR OTHERWISE, BUT EXCLUDING LIABILITY OF SELLER FOR BREACH OF WARRANTY (THE SOLE REMEDY FOR WHICH SHALL BE AS PROVIDED UNDER SECTION 13 ABOVE)) SHALL NOT EXCEED AN AMOUNT EQUAL TO THE LESSER OF (A) THE TOTAL PURCHASE PRICE THERETOFORE PAID BY BUYER TO SELLER WITH RESPECT TO THE PRODUCT(S) GIVING RISE TO SUCH LIABILITY OR (B) ONE MILLION DOLLARS (\$1,000,000). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF USE OF FACILITIES OR EQUIPMENT, LOSS OF REVENUE, LOSS OF DATA, LOSS OF PROFITS OR LOSS OF GOODWILL), REGARDLESS OF WHETHER SELLER (a) HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES OR (b) IS NEGLIGENT.

19. LIMITATION OF LITIGATION / ATTORNEY FEES Any controversy or claim of Buyer arising out of or related to this Proposal or the sale and purchase of Products must have accrued within the applicable warranty period, and then be commenced within one (1) year after the cause of action has accrued. Seller shall be entitled to reimbursement of all costs and expenses, including reasonable attorneys' fees and other litigation expenses, from the Buyer relating to any lawsuit or other proceeding arising from, or relating to, this Proposal, or any agreement entered into hereafter, in which Seller prevails.