Dayton Bag & Burlap Co.
Terms and Conditions of Sale

1. ACCEPTANCE / CONTRACT FORMATION – (a) These terms and conditions (the "Term and Conditions") shall apply to any contract of sale or purchase order, release or other request for Products (a "Purchase Order") submitted by Buyer for the purchase of products, goods, equipment, items, and materials (the "Product") from The Dayton Bag & Burlap Co., its subsidiaries or affiliates ("Seller") irrespective of whether Seller's accompanying documentation constitutes an offer to Buyer or an acceptance of Buyer's prior offer to Seller. Acceptance by Buyer may be communicated orally, delivered in person or by telephone or in writing, delivered by regular mail, hand delivery, overnight courier, facsimile or electronic mail or it shall be presumed given after Buyer receives these Terms and Conditions and submits orders for the Product. Additional or conflicting terms from those in these Terms and Conditions in an offer or acceptance by Buyer are expressly objected to and shall not be deemed accepted by Seller unless Seller's acceptance thereof is in writing and specifically refers to each such additional or conflicting term. The agreement between Buyer and Seller shall consist of: (i) these Terms and Conditions, (ii) any specifications, designs, samples, drawings, plans, or any chemical, physical or mechanical requirements, formulas or compositions, as agreed to and accepted by Seller (the "Specifications"), and (iii) the terms of any Purchase Order that (A) specify the description of the Products, the quantities, the requested delivery dates and shipping terms, and (B) are expressly accepted by Seller. No other terms and conditions on any Purchase Order, website or other communications or documents from Buyer shall be binding upon Seller until accepted in a written acknowledgment by Seller.

(b) To the extent that any terms of the documents conflict, the terms and conditions that shall control and prevail and thereby define the rights and obligations of the parties shall be determined utilizing the following priority (in order from highest to lowest priority): (i) an agreement signed by Seller; (ii) mutually agreed upon Specifications; (iii) these Terms and Conditions; and (iv) Buyer's Purchase Order to the extent it identifies or lists the Product, quantities, prices, shipping instructions, and delivery dates.

2. DELIVERY / FORCE MAJEURE - Seller shall not be responsible for any prohibition, failure, interruption or delay in manufacture or delivery which may be caused by sabotage, fire, flood, earthquake, accident, explosion, transportation difficulties, embargoes, unusually severe weather conditions, labor dispute, strike, work stoppage, riot, insurrection, war (declared or undeclared), terrorism, or act thereof, pandemic, epidemic, governmental order, or priorities granted by request of or for the benefit, directly or indirectly, of any governmental body, authority or agency, shortage of raw materials or supplies, act of God, insufficient capacity, or other cause beyond Seller's control. In the event of any such prohibition, failure, interruption or delay, Seller may, at its option, extend the delivery time or cancel the Purchase Order, in whole or in part. In the event of any shortage, however caused, Seller in its sole discretion may and without liability to any party determine the priorities of all outstanding contracts of sale, purchase orders and anticipated orders. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR CLAIMS FOR LABOR RESULTING FROM ANY FAILURE OR DELAY IN DELIVERY.

3. WARRANTY / CLAIMS / LIMITATIONS OF LIABILITY – (a) Seller will, as Buyer's sole and exclusive remedy and at Seller's option, replace or, with or without replacement, render credit for any Product sold to Buyer which, if properly stored and handled, shall not meet the Specifications. EXCEPT AS SET FORTH HEREIN, THE PRODUCTS ARE SOLD WITHOUT WARRANTIES OF ANY TYPE, EITHER EXPRESS OR IMPLIED. EXCEPT AS SPECIFICALLY SET FORTH IN THESE TERMS AND CONDITIONS, AND NOTWITHSTANDING ANY LANGUAGE, DOCUMENT, FORM, OR ANY OTHER PROVISION TO THE CONTRARY, SELLER NEITHER MAKES, NOR ASSUMES ANY LIABILITY UNDER, ANY WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE.

(b) EXCEPT FOR THE WARRANTIES AND REMEDIES PROVIDED UNDER SECTION 3(a), SELLER SHALL NOT BE LIABLE TO BUYER OR ANY OTHER PERSON OR ENTITY FOR, AND BUYER RELEASES SELLER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL LIABILITY WITH RESPECT TO ANY ACTIVITY ENGAGED IN BY SELLER WITH REGARD TO THE PRODUCTS SOLD HEREUNDER AND FROM ANY AND ALL LIABILITY IMPOSED UPON MANUFACTURERS OR SELLER FOR PRODUCTS UNDER ANY PRODUCT LIABILITY THEORY OR UNDER ANY SIMILAR LEGAL THEORY. SELLER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS SHALL NOT, UNDER ANY CIRCUMSTANCES INCLUDING, BUT NOT LIMITED TO, DELAY IN DELIVERY, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY, OR USE OF THE PRODUCT SOLD OR PROCESSED BY SELLER, BE LIABLE TO BUYER OR ANY OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR FOR LOSSES OF ANY KIND WHATSOEVER. IN NO EVENT SHALL SELLER'S LIABILITY FOR DEFECTIVE PRODUCT SOLD TO BUYER EXCEED THE PURCHASE PRICE THEREOF.

(c) Buyer agrees to notify Seller within 30 days of its discovery of defective Product. No claim shall be allowed by any party other than the Buyer. Any claim for breach of the express warranty that is not made within the timeframes set forth herein shall be deemed to have been waived. Unless otherwise agreed to in writing by Seller, Buyer shall set aside, protect, and hold such Product without further use, processing, correction or change until Seller has an opportunity to inspect and advise of the disposition, if any, to be made of such Product or evidence. In no event shall any such Product be returned, reworked, or scrapped by Buyer without the written authorization of Seller. Buyer expressly hereby assumes all liability for all damages and injury occurring before and after said time period if notice is not made within the required time frame. So long as Buyer has not otherwise waived its right to make a claim as described herein, any lawsuit or legal action whatsoever by Buyer against Seller relating to any Product purchased hereunder must be filed within one year following the shipment date of such Product, notwithstanding any statute of limitations or similar law.

4. PRICES AND FREIGHT - All quoted prices, extras (including applicable surcharges), and all freight or transportation rates, are subject to change to reflect increased costs of raw materials, tariffs, and production costs. Unless otherwise agreed, all domestic sales are FOB Origin of Seller and all international sales are EXW designated shipping point of Seller.

5. DEFAULT – (a) Any of the following shall constitute a Buyer default hereunder: (i) failure of Buyer to pay any amount which become due according to the terms of any invoices, or any other amount payable to Seller when due; (ii) failure of Buyer to observe or perform any of Buyer's obligations herein; (iii) failure of Buyer to pay its debts as they come due; (iv) failure to pay or default by Buyer on any bank loan; (v) Buyer's credit or financial condition has become impaired; or (vi) any bankruptcy, insolvency, or assignment by Buyer for the benefit of creditors.

(b) Following a default, Seller may suspend any further Product deliveries until Buyer pays its obligations in full.

6. CANCELLATION / CHANGE ORDER REQUESTS - (a) No Purchase Order can be modified or cancelled by Buyer without the written consent of Seller and in no event shall any Purchase Order or Contract be modified or cancelled for any portion thereof already processed, manufactured, or in process of manufacture, processing or performance, at the time the request for modification or cancellation is received by Seller, except upon terms, satisfactory to Seller, which protect and indemnify Seller against all loss (including the costs of raw materials for which Seller committed to purchase based on Buyer's Purchase Orders).

7. PAYMENT TERMS - Unless otherwise specifically stated on a document of sale furnished by Seller or agreed to in writing and signed by Seller, the terms of payment for each Purchase Order without any right to setoff shall be net cash (U.S. Dollars) in 30 days from date of invoice. Restrictive endorsements on Buyer's checks will not reduce Buyer's obligations to Seller. The unpaid portion of any amounts due to Seller may bear interest at the rate equal to the Prime Rate of Interest as published in the Wall Street Journal, or the maximum legal rate if less as deemed appropriate and necessary. All invoice disputes not raised with ten days from the date of invoice are waived. If in the reasonable judgment of Seller, the financial condition of Buyer does not justify continuance of production or shipment on the terms specified, Seller may require full or partial payment in advance or the acceptance by the Buyer of C.O.D. deliveries.

8. STORAGE FEE - Unless previously agreed upon by Seller and Buyer, Seller will store the Product for free for 30 days after the initial delivery date requested by the Buyer. After the 30th day, Buyer agrees to pay a monthly storage fee equal to 1.5% of the invoice price of the Product. The monthly storage fee shall be due in full upon invoice, regardless of whether Buyer has been invoiced or paid for the Product.

9. MERGER CLAUSE / ENTIRE AGREEMENT / MODIFICATION OF TERMS - These Terms and Conditions and any documentation expressly incorporated consistent with these Terms and Conditions, constitute the entire agreement between Seller and Buyer. No modification hereof shall be of any force and effect unless in writing and signed by Seller. A waiver of any of the Terms or Conditions herein shall not be deemed a continuing waiver, but shall apply solely to the instance to which the waiver is directed. If any portion of these Terms and Conditions is declared to be unenforceable by a court of competent jurisdiction, all other portions shall be considered to be valid and enforceable to the full extent that they are reasonably severable. The headings contained in these Terms and Conditions are for convenience of

reference only and are not intended to have any substantive significance in interpreting this document.

10. GOVERNING LAW - The Contract and any Purchase Order, or other documentation accompanying them shall be governed by, and construed in accordance with the laws of the State of Ohio, without application of the conflict of law principles thereof. The Contract and any Purchase Order, or other documentation accompanying them, shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods.

11. JURISDICTION - Any claim by Buyer hereunder or relating to the Product or the relationship between Buyer and Seller shall be brought solely in the state or federal courts in Montgomery County, Ohio. Buyer hereby waives jury trial and any objection to the foregoing courts on the basis of jurisdiction or venue.

12. SURVIVAL - All rights and remedies of Seller and any other provisions hereof which by their express terms or by implication are to survive, shall survive the termination or other expiration of these Terms and Conditions.

13. EXPORT CONTROL - Buyer shall not use, distribute, transfer or transmit any Product, components or technical information (even if incorporated into other products) provided in connection with this transaction except in compliance with U.S. export laws and regulations, if applicable.