

**TELLA TOOL & MFG. CO.**  
**TERMS AND CONDITIONS OF SALES**

**Conditional Acceptance:** Seller's acknowledgement and acceptance of Buyer's order is strictly limited to the sole terms contained in these "Terms and Conditions of Sales" (the "Terms") and such acceptance is expressly made conditional on Buyer's assent to any additional or different term contained herein. Should the Terms constitute an offer or counter offer, acceptance of this offer or counter offer is expressly made conditional upon Buyer's assent to all terms and conditions stated or incorporated herein.

**Terms of Payment:** Net 30 days from date of invoice unless otherwise agreed in writing by both parties. Invoices are dated the day of shipment. On amounts not paid within 30 days or the mutually agreed upon terms of payment from the date of invoice, interest will be charged commencing on the next day. The rate of interest to be charged will be the lesser of one and one-half percent (1.5%) per month or the maximum amount per month allowed by law. Tooling charges will be invoiced 1/3 at time of purchase order issuance, 1/3 at time of sample submission and 1/3 upon sample approval unless otherwise agreed upon. Tooling payment terms are upon receipt of each invoice.

**Credit:** The Buyer's credit worthiness is at all times subject to approval by the credit department of Seller. After credit review and in Seller's sole discretion at any time, invoices will be payable upon receipt of Buyer. If Buyer fails to comply with the terms of payment, further shipments may be withheld by Seller or sent sight draft with a negotiable bill of lading attached, or Seller may treat the contract as terminated. In the event of default by Buyer in payment, Buyer shall be liable for Seller's costs and expenses of collection, including reasonable attorneys' fees.

**Sales Tax:** All applicable city, county, state, federal, excise, sales, use, or other taxes are to be paid and borne by Buyer.

**F.O.B.:** F.O.B. Tella Tool & Mfg Co., Lombard Illinois 60148 or Brownsville, Texas 78526, whichever specified by Buyer.

**Force Majeure:** In addition to any excuse provided by applicable law for delay or non-delivery, the Seller shall not be liable for delays in delivery and/or failure to manufacture or deliver due to causes which are beyond Seller's reasonable control regardless of whether such causes were foreseeable, such as, but not limited to, acts of God, war, riot or insurrection, blockages, embargoes, sabotage, epidemics, fires, strikes, lock-outs or other industrial disturbances, delays of carriers, governmental acts and regulations, and Seller's inability to secure materials, labor and manufacturing facilities. Any delay resulting from such causes shall extend shipping dates correspondingly, and Seller shall be entitled to adjust the purchase price upward to take into consideration any extra costs incurred by Seller due to any such delay, including, but not limited to the increased costs of obtaining the materials necessary to manufacture the goods.

**Inspection/Rejection and Return:** Buyer shall have a reasonable time after delivery of the goods to inspect the goods' conformance to Buyer's order; provided however, that any rejection shall be ineffective unless Buyer notifies Seller in writing of all particular defects ascertainable by reasonable inspection within ten (10) days from the date the goods are delivered regardless of whether Buyer has inspected the goods. Upon such notice, Seller at its expense shall have the option of re-inspection at Buyer's plant or its own plant. Expenses incurred regarding claims for which Seller is not liable may be charged to Buyer. No claim will be allowed for goods damaged in transit or caused by accident or the negligence or unauthorized alteration by Buyer. In the event goods are rightfully rejected by Buyer, Buyer may return the goods to Seller at Seller's expense provided Buyer has received from Seller a Return Material Authorization (RMA), which will not be unreasonably delayed or withheld.

**Warranty:** Seller warrants the goods furnished hereunder against defects in material and/or workmanship (under normal use and service) for a period of thirty (30) days from the date of delivery to Buyer.

**Liability:** IN THE EVENT THE GOODS ARE FOUND TO BE DEFECTIVE AFTER ACCEPTANCE BY BUYER, THE EXTENT OF SELLER'S LIABILITY UNDER THE FOREGOING WARRANTY SHALL BE TO FURNISH REPLACEMENT GOODS, FREE FROM DEFECT OR TO REPAIR THE DEFECTIVE GOODS AT SELLER'S ELECTION, PROVIDED THAT SELLER IS NOTIFIED IN WRITING BY BUYER WITHIN SAID THIRTY (30) DAY PERIOD; AND PROVIDED FURTHER THAT SELLER'S EXAMINATION OF SUCH GOODS DISCLOSE TO ITS REASONABLE SATISFACTION THAT SUCH ALLEGED DEFECT WAS NOT CAUSED IN TRANSIT OR BY NEGLIGENCE, ACCIDENT OR UNAUTHORIZED ALTERATION BY BUYER. THE FOREGOING EXPRESS WARRANTY AND THE REMEDIES THEREUNDER ARE IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY, INCLUDING BUYER'S CUSTOMERS, FOR PUNITIVE INCIDENTAL OR CONSEQUENTIAL DAMAGES.

**Title:** Title to the goods and risk or loss or damage shall pass to Buyer upon delivery of the goods to a common carrier or agent of Buyer. Buyer shall be liable for any damages, breakage, or loss after such delivery, except that a security interest in the goods or any replacement thereof shall remain in Seller's name, regardless of mode of attachment to realty or other property, until the full purchase price has been paid. Buyer agrees to do all acts necessary to protect and maintain said security interest, and to protect Seller's interest by adequately insuring the goods against any loss or damage with Seller named insured or co-insured.

**Tools:** Buyer-supplied tooling will be maintained by Seller to produce parts quoted during the normal life expectancy of the tools. Prices quoted for parts to be manufactured with Buyer supplied tooling are subject to change should the tooling prove to be inadequate to product parts specifications. Deficiencies in the tooling received will be reported by Seller to Buyer as necessary. Alterations and repair necessary to adapt tools to Seller's equipment and to keep Seller supplied tooling and parts in general repair and tolerance will be billed at Seller's normal rates and paid by Buyer upon receipt. Buyer is responsible for providing insurance coverage on Buyer supplied tooling.

**Shipment:** Seller reserves the right to ship the actual order quantity +/- ten percent (10%) and invoice accordingly.

**Shipping Date:** The shipping date named in Buyer's order or agreed to by Seller is Seller's best estimate.

**Price Adjustments:** Seller reserves the right to adjust the purchase price for any increase in the cost of materials charged to Seller by its supplier.

**Applicable Law:** The provisions of this order and its Terms shall be construed and enforced in accordance with the laws of the State of Illinois, USA.