

# ROLLED THREADS UNLIMITED, LLC

## TERMS AND CONDITIONS OF SALE

1. **Offer, Governing Provisions and Re-orders.** Any order for goods and/or services which is placed with Rolled Threads Unlimited, LLC ("Seller"), regardless of how placed, is subject to these terms and conditions (the "Agreement"). Any future orders regardless of how placed, will also be subject to this Agreement. No modified or other conditions will be recognized by Seller unless specifically agreed to in writing and failure of Seller to object to provisions contained in any purchase order or other communications from Buyer shall not be construed as a waiver of this Agreement nor an acceptance by Seller of any such provisions. No order accepted by Seller may be altered or modified by Buyer unless agreed to in writing by Seller, and no such order may be cancelled or terminated except upon payment of Seller's loss, damage and expense arising from such cancellation or termination, as set forth in Section 5 hereof. IT IS RECOGNIZED THAT BUYER MAY HAVE FORMS THAT HAVE TERMS AND CONDITIONS PRINTED THEREIN WHICH DIFFER FROM OR ADD TO THIS AGREEMENT. IN THE INTEREST OF ECONOMY AND CONVENIENCE, IT WILL BE PERMISSIBLE FOR BUYER TO PLACE AN ORDER WITH SELLER ON SUCH PURCHASE ORDER FORM, BUT IT IS EXPRESSLY UNDERSTOOD THAT NONE OF THE TERMS AND CONDITIONS THEREIN SHALL BE DEEMED EFFECTIVE AND THAT IN THE CASE OF SUCH CONFLICT, THIS AGREEMENT SHALL BE DEEMED EFFECTIVE AND AGREED TO BETWEEN SELLER AND BUYER AND THAT ACCEPTANCE OF SUCH FORMS SHALL NOT BE DEEMED TO BE AN ACCEPTANCE OF THE TERMS AND CONDITIONS OF SUCH FORMS.

2. **Delivery.** Unless otherwise specified in writing by the parties, delivery of products to a carrier at Seller's plant in Waukesha, WI shall constitute delivery to Buyer, and all risk of loss or damage in transit shall be borne by Buyer. Claims for loss or damage to products in transit should be made to the carrier and not to Seller. Buyer hereby grants to Seller a security interest in the products delivered until payment in full is made for all quantities ordered and appoints Seller its agent and attorney in fact to take all such action and to execute all such documents and instruments as may be necessary or reasonably requested by Seller to perfect and continue perfected Seller's security interest hereunder. Buyer shall arrange for delivery no later than sixty (60) days after Seller has produced or processed the products. In the event that Buyer does not arrange for shipment within 60 days after production or processing, Seller shall invoice Buyer in full and shall charge Buyer reasonable storage charges until Buyer arranges delivery.

3. **Quantity.** Buyer agrees to accept quantity variations of +10% to - 5% for product orders. Any claim by Buyer that Seller failed to deliver the agreed upon quantity of goods outside of the quantity variations of +10% to - 5% must be submitted to Seller in writing within fifteen (15) days after Buyer receives the goods. If Buyer fails to do so, it will be conclusively presumed that the proper quantity was delivered.

4. **Force Majeure:** Seller shall not be liable for delays in delivery or for failure to perform due to any causes, including, without limitation, acts of God, acts or omissions of Buyer or civil or military authorities, fires, strikes, epidemics, quarantine restriction, flood, earthquakes, riot, war, delays in transportation or inability to obtain necessary labor, materials or supplies. In the event of any delay, the contractual date of delivery, if any, shall be extended for a period equal to the time lost as a consequence of such delay without penalty to Seller.

5. **Acceptance, Modification, and Cancellations of Orders.** All orders are subject to acceptance in writing by Seller. Any written acknowledgment or receipt of an order shall not, in and of itself, constitute such acceptance. Clerical errors on orders are subject to correction. Prior to a shipment, an order may be cancelled only with Seller's prior consent and upon terms indemnifying Seller from all resulting losses and damages. In the event of cancellation by Seller, or in the event Seller consents to a request by Buyer to stop work or to cancel the whole or any part of any order, Buyer shall, in the event that Seller asks Buyer to do so, make reimbursement to Seller, as follows:

- (i) Any, and all work that can be completed within thirty (30) days from date of notification to stop work on account of cancellation shall be completed, shipped, and paid in full.
- (ii) For work in progress and any materials and supplies procured or for which definite commitments have been made by Seller in connection with the order, Buyer shall pay such sums as may be required to fully compensate Seller for actual loss incurred, plus twenty (20) percent.
- (iii) Orders that require "Special Tooling Equipment" may not be cancelled after acceptance, except by Seller. Items deemed "Special Tooling Equipment" are those that differ from Seller's standard tooling equipment and incorporate specifications that have been determined for "specific application." Determination of whether an item is "Special Tooling Equipment" is sole discretion of Seller.

6. **Shipment.** Buyer shall specify in writing the method of shipment preferred and, in the absence of such specification, Seller may ship in any manner it elects. All shipping and delivery dates are approximate.

7. **Prices and Payments.** Prices included in any quote are subject to change based on material cost and availability. Orders are billed at the prices in effect at the time of shipment, and all costs of shipment shall be paid by Buyer. Any shipping costs advanced by Seller shall be due on invoice. Prices do not include any sales, use, occupational, gross income or other taxes which may be applicable to Buyer's order. If any order is subject to tax, the amount thereof and any costs connected therewith, whether imposed before or after payment, shall be paid by Buyer upon Seller's demand. A three percent (3%) processing charge will be added to all credit card payments. Terms of payment are net thirty (30) days from date of invoice unless otherwise specified by Seller in writing. In the event that payment is not received within such thirty (30) day period, any unpaid balance shall commence to bear interest at the rate of one and one-half percent (1½%) per month from the due date or the highest amount allowed by applicable law, whichever is less. Buyer shall be responsible for and shall remit to Seller all costs, expenses and reasonable attorney fees incurred by Seller in obtaining payment of any invoice or portion thereof.

8. **Changes.** Any changes in material, design, quantity, time for performance, drawings or other changes increasing Seller's direct or indirect costs requires re-pricing. An updated Purchase Order must be issued by Buyer and acknowledged by Seller prior to resuming production.

9. **Warranties and Limitations.** Seller warrants to Buyer that the work performed by Seller will be rendered in a workmanlike manner in accordance with industry standard and practices and free from manufacturing defects for a period of thirty (30) days from the date of delivery. Seller makes no warranty regarding any material, product, or assembly provided by Buyer to Seller.

If a claim is made during the warranty period and the workmanship is proven to Seller's satisfaction to be

defective, Seller may repair or replace such product or refund the price for work performed at Seller's option. This limited warranty does not cover products which have been subject to negligence, accident, or circumstances beyond Seller's control; repaired or attended to by any party other than Seller; or subject to improper use, maintenance, or storage. SELLER'S SOLE LIABILITY SHALL BE AT ITS OPTION TO CREDIT THE ACCOUNT OF BUYER OR TO REPAIR OR REPLACE PRODUCTS WHICH ARE NOT IN ACCORDANCE WITH SELLER'S LIMITED WARRANTY IN ACCORDANCE WITH THE TERMS HEREOF. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGE OF ANY KIND. There are no warranties which extend beyond the description in this Agreement. Seller's maximum liability for a claim whatsoever shall be limited to the amount Buyer has paid to Seller for the product or service for which a claim is made.

To the extent permitted by law, Buyer shall indemnify Seller and its business partners, employees and agents from and against any and all losses, liabilities, damages and expenses (including without limitation, attorneys' fees and other costs of defending any action) which Seller may incur as a result of any claim by Buyer or others arising out or in connection with the products and/or services sold hereunder and based on product or service defects not proven to have been caused solely by Seller's negligence.

10. **Returns.** Products may not be returned to Seller for any reason after delivery to Buyer without prior written approval of Seller.

11. **Drawings, Specifications.** When drawings are required in order to complete performance hereunder, Buyer must provide legible part drawings to the latest revision level.

12. **Deliveries to Third Parties.** In the event Buyer requests Seller to deliver products to third parties, Seller at its discretion may do so, but such delivery shall be subject to this Agreement, and Seller shall have no liability which arises in whole or in part as a result of Buyer's failure to inspect products due to their direct transmittal to a third party. Seller shall have no liability for costs incurred by Buyer with such third parties whatsoever.

13. **Thread Rolling Services.** For any thread rolling services, the additional terms and conditions shall apply and control over any conflicting provisions in proceeding sections of this Agreement.

- (i) Seller shall have no liability for any loss or damage to Buyer's material or product held or used by Seller unless due to Seller's negligence.
- (ii) In cases of loss of or damage to Buyer material arising out of Seller's negligence, Seller liability will not exceed the purchase order price.
- (iii) If any material or product furnished by Buyer is found to be worn or defective so that, in Seller's sole judgment machining to print specs cannot occur, Seller reserves the right to refuse to proceed with work unless authorized to make any necessary changes or replacements.
- (iv) Buyer agrees to a one percent (1%) loss allowance on all Buyer supplied materials.
- (v) Parts for delivery back to Buyer will be re-packaged in Buyer containers. If Buyer containers are damaged or special packaging is required, extra charges will apply.
- (vi) Any damage resulting from the use of such containers shall be Buyer's risk. Buyer acknowledges that estimated lead time for thread rolling services is as set out in any quote provided by Seller.

14. **Trade Secrets/Confidential Information.** Any non-public, confidential or proprietary information of Seller, including but not limited to, specifications, samples, patterns, designs, plans, drawings documents, data, business operations, customer lists, pricing, discounts, or rebates (collectively, "Confidential Information") that is disclosed to Buyer is disclosed in the strictest confidence and Buyer shall not disclose any Confidential Information unless authorized in advance by Seller in writing. Buyer shall not copy or duplicate any Confidential Information for its own use or benefit. Buyer shall use the same degree of care to avoid disclosure of Confidential Information as it uses with respect to its own highest level confidential information and, in any event, no less than a reasonable degree of care. Confidential Information shall include, but not be limited to, all information, regardless of the form in which it is transmitted or stored, relating to Seller's research, development or business information, products, product specifications and trade secrets, as defined by law.

15. **Intellectual Property.** Seller disclaims any warranty that the product does not violate any patent, trademark or other intellectual property owned by a third party. Buyer shall indemnify and hold harmless Seller from all loss or damage arising out of any patent infringement claims or actions based upon materials designed by or made to Buyer's specifications.

16. **Disputes and Governing Law.** All matters arising out of or relating to this Agreement not otherwise resolved between Seller and Buyer shall be resolved exclusively in a court of competent jurisdiction located in Waukesha, Wisconsin, and be governed by Wisconsin law.

17. **Assignment.** Buyer shall not assign any of its right or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

18. **Severability.** In the event that any provision of this Agreement is declared void or unenforceable by any competent legislative or judicial authority, said declaration shall not affect the enforceability of any other provision of this contract, it being the intent of the parties that this contract shall be severable and applied as if such void or unenforceable provision had not been included herein.

19. **Captions.** All section headings contained in this Agreement are for convenience or reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

20. **Entire Agreement and Amendment.** This Agreement contains the entire and only agreement regarding terms and conditions between the parties (and any affiliates thereof and their employees and agents) with respect to goods and/or services. This Agreement may be modified only by a writing signed by Seller.