

Terms and Conditions of Sale

- ORDER ACCEPTANCE. All orders or services are subject to acceptance in Minnesota by the written approval of an authorized official of Tolomatic, Inc.. Any such order shall be subject to these Terms and Conditions of Sale, and acceptance shall be conditioned on Purchaser's assent to such conditions. Purchaser's assent shall be deemed given unless Purchaser shall expressly notify Tolomatic, Inc. in writing to the contrary within five (5) days after receipt of acknowledgment to confirmation of an order.

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- CANCELLATION AND CHANGES. No order accepted by Tolomatic, Inc. may be modified in any manner by Purchaser unless agreed to in writing, by an authorized official of Tolomatic, Inc.. Order cancellations, including reductions to order quantities, and changes shall be governed by the following:
 - a. Any standard product order scheduled for shipment within five (5) working days of purchaser's request to cancel or modify will be shipped as previously acknowledged and purchaser agrees to accept shipment and payment responsibility, in full, at the price agreed upon.
 - b. "Customer Special" orders scheduled for shipment within twenty (20) working days of purchaser's request to cancel or modify will be shipped as previously acknowledged and purchaser agrees to accept shipment and payment responsibility, in full, at the price agreed upon.
 - c. All work in connection with "Customer Special" orders, not covered under Paragraph b, will be stopped immediately upon notification, and purchaser agrees to reimburse Tolomatic, Inc. for all work-in-process and any materials or supplies used, or for which commitments have been made by Tolomatic, Inc. in connection therewith.
- QUOTATIONS AND PRICES. Written quotations automatically expire 30 calendar days from the date issued unless terminated sooner by written notice. (Verbal quotations expire, unless accepted in writing, the same day.)

All published prices and discounts are subject to change without notice. In the event of a net price change, the price of product(s) on order will be the price in effect on the date of order acknowledgment. Any addition to an outstanding order will be accepted at prices in effect when the addition is made.

- 4. MINIMUM BILLING. Orders amounting to less than \$35.00 net will be billed at \$35.00
- 5. TAXES. Any Manufacturer's Tax, Retailers Occupation Tax, Use Tax, Sales Tax, Excise Tax, Duty, Customer, Inspection or Testing Fee, or any other tax, fee or charge of any nature whatsoever, imposed by any government authority, on or measured by any transactions between Tolomatic, Inc. and Purchaser shall be paid by the Purchaser in addition to the prices quoted or involved. In the event Tolomatic, Inc. shall be required to pay any such tax, fee or charge, Purchaser shall reimburse therefore.
- 6. TERMS OF PAYMENT. Net invoice amount is due within 30 days from date of invoice subject

- to credit approval. A 2% per month service charge shall apply to all invoices not paid within 30 days. All clerical errors are subject to correction. Any invoice in not paid within 60 days will subject that account to an immediate shipping hold.
- F.O.B. POINT. All sales are F.O.B. Tolomatic, Inc.'s facility in Hamel, Minnesota, unless quoted otherwise.
- DELIVERY. Delivery of product(s) by Tolomatic, Inc. to a carrier shall constitute delivery to Purchaser, and regardless of freight payment, title and all risk or loss or damage in transit shall pass to Purchaser at that time.

Should shipment be held beyond scheduled date, upon request of Purchaser, product will be billed and Purchaser agrees to accept any charges for warehousing, trucking and other expenses as may be incident to such delay.

Great care is taken by Tolomatic, Inc. in crating its product. Tolomatic, Inc. cannot be held responsible for breakage after having received "In Good Order" receipts from the transporting carrier. All claims for loss and damage must be made by Purchaser to the carrier within 14 days from receipt of goods. Tolomatic, Inc. will assist insofar as practical in securing satisfactory adjustment of such claims wherever possible.

Claims for shortages or other errors must be made, in writing, within ten (10) days to Tolomatic, Inc. and any additional expense of the method or route of shipment specified by Purchaser shall be borne by the Purchaser.

9. SHIPPING SCHEDULES. All quoted shipping schedules are approximate and will depend upon prompt receipt from Purchaser of confirming copy of Purchase Order. Dimensional drawings and specifications submitted by Tolomatic, Inc. to Purchaser for approval must be returned to Tolomatic, Inc. within 10 working days, with approval granted, and any exceptions noted, in order to avoid delay in manufacturing schedules.

Orders which include penalty clauses for failure to meet shipping schedules will not be acceptable, except in those cases specifically approved in writing by the General Manager of Tolomatic, Inc.

Tolomatic, Inc. shall not be liable for damage as a result of any delay due to any cause beyond Tolomatic, Inc.'s reasonable control, including, without limitation, an Act of Nature; act of Purchaser; embargo, or other government act, regulation or request; fire; accident; strike; slow down; war; riot; flood; delay in transportation; and inability to obtain necessary labor, materials or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time loss by reason of the delay. The acceptance of the product when delivered shall constitute a waiver of all claims for damages caused by any such delays.

10. RETURN OF PRODUCT. No product may be returned without first obtaining a Return Goods Authorization form and confirming memorandum from Tolomatic, Inc.. Product, if accepted for credit, shall be subject to a minimum service charge of 35% of the invoice price and all transportation charges shall be prepaid by the Purchaser; however, assembled products classified as "special," such as Cable Cylinders and other products which have been modified or built as "Customer Specials," are not returnable to Tolomatic, Inc..

11. WARRANTY. Tolomatic, Inc., WARRANTS PRODUCT MANUFACTURED BY IT TO BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP FOR A PERIOD OF ONE YEAR FROM DATE OF SHIPMENT BY Tolomatic, Inc.. IF WITHIN SUCH PERIOD ANY SUCH PRODUCT SHALL BE PROVED TO Tolomatic, Inc.'S SATISFACTION TO BE SO DEFECTIVE, SUCH PRODUCT SHALL EITHER BE REPAIRED OR REPLACED AT Tolomatic, Inc.'S OPTION.

THIS WARRANTY SHALL NOT APPLY:

- a. TO PRODUCT NOT MANUFACTURED BY Tolomatic, Inc. WITH RESPECT TO PRODUCT NOT MANUFACTURED BY Tolomatic, Inc.. THE WARRANTY OBLIGATIONS OF Tolomatic, Inc. SHALL IN ALL RESPECTS CONFORM AND BE LIMITED TO THE WARRANTY ACTUALLY EXTENDED TO Tolomatic, Inc. BY ITS SUPPLIER.
- b. TO PRODUCT WHICH SHALL HAVE BEEN REPAIRED OR ALTERED BY PARTIES OTHER THAN Tolomatic, Inc. SO AS, IN Tolomatic, Inc.'s JUDGMENT, TO AFFECT THE SAME ADVERSELY, OR
- c. TO PRODUCT WHICH SHALL HAVE BEEN SUBJECT TO NEGLIGENCE, ACCIDENT, OR DAMAGE BY CIRCUMSTANCES BEYOND THE CONTROL OF Tolomatic, Inc. OR TO IMPROPER OPERATION MAINTENANCE OR STORAGE, OR TO OTHER THAN NORMAL USE AND SERVICE.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, Tolomatic, Inc. SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES WHATSOEVER WITH RESPECT TO PRODUCT MANUFACTURED OR SUPPLIED BY Tolomatic, Inc. OR SERVICE RENDERED BY IT.

- CONSEQUENTIAL DAMAGE. Tolomatic, Inc., shall not, under any circumstances be liable for consequential damages.
- 13. SERVICE CHARGES. Should the Purchaser request the service of any erector, demonstrator or service man (except as specifically provided for and included in the price of the product) such service will be rendered at the rate outlined in the schedule of field service charges in effect at the date of request.