



## Above pricing Valid for 30 days from proposal date Proposal Terms and Conditions

- 1. OFFER TO SELL.** Terzo Power hereby offers to sell the products described in the Quotation, but only on the terms and conditions described herein. If Buyer submits to Terzo Power a purchase order or other documentation with terms and conditions different from or additional to the terms and conditions described in this Quotation, Terzo Power hereby objects to those terms and does not assent to them. No such term shall be a part of any contract between the parties.
- 2. WARRANTY DISCLAIMER AND LIMITATION ON LIABILITY.** ANY EXPRESS WARRANTY FOR THE PRODUCTS WILL BE PROVIDED BY A SEPARATE WRITTEN WARRANTY AGREEMENT. ANY SUCH WARRANTY CONSTITUTES THE SOLE WARRANTY APPLICABLE TO THE PRODUCTS (EXCEPT OF TITLE), EXPRESS OR IMPLIED, AND THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR THESE PRODUCTS. ANY EXPRESS WARRANTIES PROVIDED BY A SEPARATE PRODUCT WARRANTY AGREEMENT SHALL BE VOID IF BUYER USES OR PERMITS THE USE OF ANY PRODUCT IN: 1) ANY APPLICATION WHICH HAS NOT APPROVED IN WRITING BY Terzo Power; OR 2) ANY APPLICATION WHICH IS INCONSISTENT WITH THE FINAL SPECIFICATIONS AND/OR DRAWINGS FOR THE PRODUCT. IN NO EVENT SHALL Terzo Power BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES RESULTING FROM EITHER DEFECT IN THE PRODUCTS OR ANY OTHER BREACH OF THE AGREEMENTS BETWEEN THE PARTIES. EXCEPT AS PROVIDED IN ANY SEPARATE WRITTEN PRODUCT WARRANTY AGREEMENT.
- 3. DEFAULT REMEDIES.** If Buyer shall fail or refuse to accept delivery of the products ordered or shall default in the performance of any of the terms, covenants and conditions of this Agreement, Terzo Power shall have available to it any remedy allowed by law or equity and may recover all damages suffered as a consequence from Buyer's breach, including reasonable costs and attorney's fees incurred in enforcing this Agreement or recovering such damages. Without limiting the foregoing, Terzo Power shall have the right in the event of a breach or default to retain the cash deposited or paid to it by Buyer and the products accepted by it on account of the sale price, if any, and apply the same toward payment of its damages. If products ordered have been delivered to Buyer by Terzo Power at the time of default or breach, Terzo Power may declare the full amount due and payable without notice or demand and may repossess the products as allowed by law.
- 4. DELAYS.** Terzo Power may delay or cancel shipment of the products where required by a cause beyond Terzo Power's reasonable control, including, but not limited to, compliance with any regulations, orders, or instructions of any federal, state, or municipal court or government or any department or agency thereof, acts of God, acts or omissions by Buyer, acts of civil or military authority, fires, strikes, factory shutdowns or alterations, embargoes, war riot, delays in transportation, or inability due to causes beyond Terzo Power's reasonable control to obtain necessary labor, manufacturing facilities or materials from Terzo Power's usual sources. In no event shall Terzo Power be liable for any consequential damages resulting from delays in shipment caused by any reason whatsoever.
- 5. PRICES.** The price for the products is that in effect at the time of delivery. All prices are F.O.B. Terzo Power's manufacturing facility and do not include taxes.
- 6. DELIVERY.** Delivery times and/or dates are estimated and under no circumstances will Terzo Power be liable for any damages due to failure to ship accordingly.
- 7. TOOLING.** Unless otherwise noted, payment for special tooling is due upon receipt and acceptance of first product shipment. All tooling remains the property of Terzo Power unless otherwise negotiated and specified in a writing signed by both parties.
- 8. PAYMENT.** Standard prototype terms of payment are 50% at time of order and 50% payment prior to shipment. Standard terms of payment are net 30 days from date of invoice to customers with approved credit. Please be aware that Terzo Power Systems LLC applies a 3% Finance Charge each month to any past due balance on customer accounts.
- 9. SCHEDULES.** Once a shipping schedule is acknowledged by Terzo Power, it is considered firm for sixty (60) days and no schedule revision within that period may be accepted. Changes beyond sixty (60) days which result in a reduction of the original order quantities may result in a price adjustment affecting the entire order. Buyer may not cancel any order, in part or in whole, without payment to Terzo Power of any applicable cancellation charges.
- 10. ERRORS.** Stenographic and/or clerical errors in Terzo Power's Quotation are subject to correction by Terzo Power without liability.
- 11. RETURNS.** No returns will be permitted without the prior written authorization of an authorized Terzo Power representative.
- 12. ENTIRE AGREEMENT AND APPLICABLE LAW.** The parties acknowledge that this agreement was entered into in the States of Illinois, Terzo Power's performance will occur in Illinois, and the rights and obligations of Terzo Power and Buyer shall be governed by the substantive laws of the States of Illinois without a regard to choose of law provisions. The provisions hereof are intended by Buyer and Terzo Power as a final expression of their agreement and are intended also as a complete and exclusive statement of all terms applicable to Buyer's order. No waiver, modification or addition to any terms hereof shall be binding on Terzo Power unless made in writing and signed by representative of Terzo Power with the authority to do so. In the event of a dispute arising out of, relating to, or regarding this agreement or the sale of the product by Terzo Power to Buyer, the parties agree that any federal or state court located in Winnebago County, Illinois shall have exclusive jurisdiction over such dispute, and each of the parties agrees that by entering this transaction it has submitted to the personal jurisdiction of such courts.
- 13. USE IN APPROVED APPLICATIONS.** Buyer hereby agrees that it will use the products in an application which is in conformance with all of Terzo Power's final specifications and drawings for the product. Buyer agrees to defend, indemnify and hold harmless Terzo Power from and against any demand, claim, loss, damage, injury, or liability of any nature whatsoever which arises from or relates in any way to the use of the products being sold to Buyer in an application which Terzo Power has not approved for those products. Terzo Power STANDARD WARRANTY AGREEMENT. Terzo Power products are warranted to the original purchaser against defects in material and workmanship for twenty-four months use on the application, or for thirty months from the date of manufacture as stamped on the part, whichever occurs first. An authorization (RGA, PO, or open order on file at Terzo Power) to return Line Rejections must accompany each part. Terzo Power reserves the right to repair, replace, or issue credit at its discretion for any part which we determine is covered by this Warranty Agreement and for which a valid warranty claim is submitted, unless a different method of warranty reimbursement has been negotiated between the parties, and is specifically listed in Appendix A of the Warranty Agreement.