

WELLS

TECHNOLOGY

WELLS TECHNOLOGY TERMS OF PURCHASE

Wells Technology, Inc. (“Wells”) machines custom hardware products and is an authorized reseller for the Fastenal Company. Wells agrees to furnish the goods and services ordered by Buyer subject to these terms of purchase. Wells will not be bound to any terms of purchase to which it has not specifically agreed in writing. Any terms or conditions of purchase proposed by Buyer that are inconsistent with or in addition to these terms of purchase shall be void and of no effect unless Wells specifically agrees to such terms of purchase in writing.

1. Product Selection and Suitability

As an authorized reseller, Wells obtains many products, supplies or goods (“Supplies” or “Products”) through Fastenal Company (“Fastenal”), which obtains its Supplies from multiple supply sources located throughout North America and internationally. Many countries, provinces, states and localities have codes and regulations governing sales, construction, installation, and/or use of Supplies for certain purposes, which may vary from those in neighboring areas. While Fastenal attempts to ensure that its Supplies comply with such codes and regulations, it does not guarantee compliance and is not responsible for how the product is installed or used. Fastenal makes every reasonable attempt to ensure the quality of its supply sources and the Supplies it offers. As the Supplies are dynamic and versatile, neither Wells nor Fastenal shall be responsible for how Supplies are used or installed, or a particular Product’s conformance to territorial codes or regulations. Buyer is responsible for reviewing all Product materials and application, and all relevant codes, regulations or ordinances, to ensure the Product, its installation, and its use will satisfy Buyer’s requirements. In no event will Wells or Fastenal be responsible for any loss or damage arising out of Buyer’s improper selection, misapplication or misuse of a Product or Supplies.

2. Limited Warranty, Disclaimers, Limitation on Warranty, and Remedy

Wells warrants that Supplies delivered hereunder shall be free from any defects in material or workmanship and in conformity with Buyer’s written specifications for a period of one year after delivery. Buyer shall inspect Supplies within a reasonable time (not to exceed 10 calendar days) after receipt, and shall promptly notify Wells of any claimed defect or nonconformity. Where the nature, quantity, or packaging of Supplies makes immediate inspection impracticable, neither acceptance nor payment for Supplies shall waive the right of inspection or the right to return defective or nonconforming Supplies. Upon receipt of written notice by Buyer and as an exclusive remedy, Wells shall promptly correct or replace, at Wells’ option, any defective or non-conforming Supplies, and the cost of such correction or replacement shall be borne by Wells. Correction shall be made or replacement Supplies shall be delivered by Wells within the on-time period applicable to the original purchase order, unless Wells is prevented from doing so by conditions beyond its control. This warranty will not be applicable in the event of the improper selection, misapplication or misuse of the Product by Buyer, and any liability from such events is disclaimed by Wells.

THE FOREGOING WARRANTIES ARE IN PLACE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED AND WELLS EXPRESSLY DISCLAIMS ANY OTHER WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

EVERY CLAIM UNDER THIS LIMITED WARRANTY SHALL BE DEEMED WAIVED UNLESS WRITTEN NOTICE IS GIVEN TO WELLS WITHIN SIXTY (60) DAYS AFTER THE DEFECT TO WHICH EACH CLAIM RELATES IS DISCOVERED, OR SHOULD HAVE BEEN DISCOVERED.

MANUFACTURER WARRANTY. The manufacturer’s warranty for all Supplies handled or distributed by Wells may be warranted to Buyer’s customer. Wells will reasonably assist with obtaining or verifying warranty information concerning the Product and confirming application or extension of such warranties to Buyer, but Wells is not responsible or obligated to enforce or honor the warranties extended by the manufacturer to the final

consumer, which are in addition to the limited warranties provided herein. Wells may also distribute literature or sales materials of the manufacturer, but assumes no responsibility for the content of such literature or materials.

LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE TO EACH OTHER OR TO FASTENAL FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR INJURIES TO PERSONS OR TO PROPERTY OR LOSS OF PROFITS OR LOSS OF FUTURE BUSINESS OR REPUTATION, WHETHER BASED ON TORT OR BREACH OF CONTRACT OR OTHER BASIS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

3. Cancellation and Returns

Approval prior to Product shipment is required for the cancellation of any order. Orders for Special or Non-standard Supplies (not in the catalogue) may not be cancelled or returned (except for non-conformities). Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. Except as otherwise agreed by Wells, Supplies will not be accepted for return after 30 calendar days from the date of delivery to the Buyer. All returns should be made to the Onsite location unless otherwise directed by Wells, must be in resalable condition, and accompanied with an Invoice. Any cancellation or returns accepted after 30 days may be subject to a restocking fee and other charges, for which the Buyer shall be responsible.

4. Title

In order to meet its inventory commitment, all Supplies held in inventory in Onsite Locations remain the property of Wells or Fastenal until the Supplies are withdrawn by Buyer, and the Buyer is deemed to have purchased the Supplies. However, Buyer will be responsible for any damage, destruction or theft of any purchased Supplies it maintains within the Onsite Location, except in the event such losses are directly caused by the negligence or intentional actions of Wells, its employees, or agents. Buyer will assist and approve or, upon request, execute any documents confirming Wells' or Fastenal's title to the Supplies.

5. Published Product Information

Both Wells and Fastenal reasonably attempt to maintain up-to-date and accurate pricing, availability and usage information about the Supplies in its catalogs. However, this information is dependent upon information distributed by and obtained from a manufacturer or supplier and is subject to change at any time. Catalog information may therefore be revised at any time, without notice, and Wells will not be responsible for any pricing errors contained therein. NEITHER WELLS NOR FASTENAL MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN ITS CATALOGS.

6. Hazardous Supplies Information

Material Safety Data Sheets ("MSDS") for controlled products as defined by rules or regulations established in certain counties are available at your Onsite location, or by contacting Wells at (218) 751-1412, wendy@wellstech.com. The information and recommendations contained on the MSDS supplied by the manufacturer is considered to be accurate and reliable. Wells does not, however, make any warranty concerning the accuracy of the information or the suitability of the recommendations. Wells specifically disclaims any and all liability to Buyer and/or any other user in this regard.

7. Force Majeure

Any delays or failures to deliver any items or shipments, if occasioned by fire, explosion, flood, earthquake, war, riots, insurrection, civil disturbance, accident, storm, interruption or delay in transportation, shortages or strikes due to labor disputes, inability to obtain materials or supplies, acts of government, or any act of God, or any other causes of like kind which are beyond the control of a party shall not subject such party to any liability to the other.

8. Governing Law

These Terms of Purchase shall be construed, interpreted and performed according to the laws, excluding conflict of law rules, of the State of Minnesota, United States of America. Any legal action must be filed and commenced within one year after it arises. The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition will not constitute a waiver of that right or excuse any subsequent nonperformance of any such term or condition by the other party. The Uniform Commercial Code as adopted by the State of Minnesota will be applied, without application of any similar state or international law or treaty.

9. Dispute Resolution

The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies or differences arising out of or relating to this purchase. All disputes, controversies or differences between the parties that are not settled by negotiation shall be decided in accordance with the Commercial Rules of the American Arbitration

Association and judgment will be entered on the award. The arbitrator will be bound by the express terms of this Agreement. The site of arbitration will be a mutually agreeable location in the State of Minnesota and the arbitrator(s) will be bound by the applicable laws of the State of Minnesota.

10. Payment Terms

All orders must be received with a cash payment, check or method of payment approved in writing by Wells.

Unless otherwise stated on the Order, for Buyers with approved credit, payment terms are Net 30 days from invoice date via Electronic Funds Transfer (EFT). Buyer shall remit payment to:

Email EFT Payment Remittance To: arwp@wellstech.com

*** Reference company name/EFT payment number

Checks can be mailed to: Wells Technology, Inc.
4885 Windsor Court NW
Bemidji, MN 56601

Invoices will be transmitted electronically via Buyer's choice of EDI, email or fax. All delivery discrepancies or errors must be reported and resolved within 30 calendar days of the receipt of the invoice by Buyer. If Buyer fails to make the required payment within these terms, Wells may assess a late payment administrative fee of twenty dollars (\$20). Additionally, Wells reserves the right to charge 18% interest per annum (1.5% monthly) on any unpaid invoices over 30 calendar days until such invoices are paid in full. Buyer agrees to pay Wells, to the extent permitted by applicable law, all costs and expenses, including reasonable attorney's fees, incurred by Wells in connection with any collection activities or actions to collect unpaid invoices under this Agreement. Buyer agrees that any claim alleging overpayment must be asserted within one (1) year from the date the subject Supplies were invoiced to Buyer. All claims not asserted within such one (1) year period shall be deemed irrevocably waived. Wells may offset all credits and outstanding invoices which are aged over one year. Buyer shall be responsible for timely providing of applicable tax exemption forms. Failure of Buyer to provide such tax exemption forms shall result in Buyer being subject to any applicable sales tax.

11. Sales Tax

Applicable state and local tax will be charged on orders, unless Buyer provides Wells with an exemption certificate. Please note your tax-exempt status when ordering.

12. Delivery and Freight

For Onsite shipments, all shipments will be FOB Buyer's Onsite facility. Any product requiring special freight arrangements must have prior plant authorization before charges are applied. Non-standard/Special or emergency orders may require special freight arrangements, which if approved by Buyer, will be payable by the Buyer.

For all other shipments, Buyer and Wells will create and manage a local delivery schedule and expected lead time. The standard delivery time for Core Items and Catalog items shall be within 3 to 5 business days. The delivery time for Non-Catalog Items shall be quoted lead times.

All shipments for Core Items and Catalog Items will be Incoterms 2010 DDP Buyer's facilities except as stated below. Supplies that are Non-Catalog Items may be subject to freight charges if the Buyer's shipping account is not provided or for Catalog Items requiring a secondary process.

All shipments are subject to the Minimum Order requirement below. Product that is not a Core Item or Catalog Item may be subject to additional freight charges.

a. Local Delivery Fee: There is a \$4.80 minimum charge (or 4% of the invoice, with a \$25.00 maximum delivery fee) on all invoices under \$1,000. Invoices over \$1,000 or an accumulation of invoices totaling over \$1,000 for a single delivery will be exempt from the fee. Fees expressed for domestic orders with deliveries within the continental United States of America only.

b. Any Supplies requiring special freight arrangements (air freight, express ground, LTL special, etc.), including special orders and/or Buyer emergency requests, may be assessed freight charges. Emergency requests due to errors on the part of Wells stocking methods however do not constitute a Buyer emergency for which extra freight may be charged.

13. Orders to be Exported (Outside United States)

Wells does not export Supplies outside of the United States of America.

14. Electronic Commerce

With prior approval, Wells and Buyer may agree to be bound by transactions performed through Wells' e-commerce Website via the issuance of purchase orders by Electronic Data Interchange (EDI), facsimile, and e-mail. Such transactions will be subject to the terms and conditions contained herein. The parties acknowledge that no writing shall be required in order to make their electronic transactions legally binding, notwithstanding any contrary requirement in the law. As necessary, the parties will adopt as their signature an electronic identification affixed to or contained in each Document transmitted by the party. The parties will implement reasonable security procedures to ensure authorized transmissions and to protect business records and data from improper access. By performing such transactions in the forgoing manner, the parties agree that no signature will be required in order to have a legally enforceable electronic commerce transaction, which will be honored to the fullest extent under law. The parties agree not to contest the validity or enforceability of signed documents under the provisions of any applicable laws, including any Statute of Frauds statutes, relating to whether certain agreements be in writing and signed by a party in order to be bound. Any such signed documents, if introduced as evidence in any legal or administrative proceeding, will be admissible as evidence to the same extent as business records, which originate and are maintained in documentary form. The provisions under this Electronic Commerce paragraph will be in addition to any other agreements entered into between Wells and Buyer concerning electronic data interchange.

15. Buyer Representations

Buyer agrees to comply with the applicable provisions of the U.S. Foreign Corrupt Practices Act. Buyer warrants and covenants that it has not offered, agreed to pay or paid, either directly or indirectly, anything of value to a foreign official (defined under the U.S. Foreign Corrupt Practices Act), a foreign political party or party official, including a candidate, in connection with the purchase and resale of the Product. Also, Buyer represents and warrants that it is not on, or associated with any organization on the United States Department of Commerce's Bureau of Industry and Security's Denied Persons List or Unverified List; or the United States Department of the Treasury's Office of Foreign Assets Control List; Specially Designated Nationals, Specially Designated Global Terrorists, Specially Designated Narcotics Traffickers, Specially Designated Narcotic Traffickers-Kingpin, or Specially Designated Terrorists List; or the United States Department of State's Designated Foreign Terrorist Organizations, Embargoed Countries list, or Debarred Persons List; or subject to a denial order issued by the United States Department of Commerce or similar order or list published by a foreign country.

16. Independent Contractor

Buyer and Wells are independent contractors in connection with the performance of work and activities under these Terms of Purchase. Buyer will have no right or authority to bind Wells to any obligations or responsibilities and will not represent or hold itself out as an agent or representative of Wells.

17. Compliance with Law

Both parties shall comply with all applicable federal, state and local laws and regulations applicable to its services, rights and obligations under these Terms of Purchase. Any fines or penalties resulting from the breach of any law or regulation will be the sole responsibility of the breaching party.

18. Miscellaneous

Buyer shall not assign any order or interest therein to another party, without the written consent of Wells. These Terms of Purchase, including Wells or Fastenal's Order forms, quotations, invoices and catalog sales terms which are incorporated herein by reference, constitute the exclusive and complete Agreement between Wells and Buyer. The failure of Wells to enforce at any time or for any period of time any of the provisions herein will not be construed to be a waiver of such provisions or of the right of Wells thereafter to enforce each and every such provision.

If any of the provisions contained herein are deemed illegal or unenforceable, such determinations will not affect the validity of the remaining terms and conditions and the remaining terms will continue in force and effect to the fullest extent permitted under applicable law.