



## CONDITIONS OF SALE

### 1. Definitions

- In these Conditions ("the Conditions")
- "the Buyer" is the person, firm or company ordering the Goods from the Seller.
  - "the Contract" means the contract for sale and purchase of the Goods made between the Seller and the Buyer to which the Conditions and the Special Conditions apply.
  - "the Goods" are all and any of the article(s) the order for the sale or supply of which to the Buyer the Seller hereby accepts.
  - "the Seller" means Craftists, Inc.
  - "Special Conditions" are any terms set out by the Seller in any quotation or acceptance of order of the Seller, to the extent that they are not inconsistent with any of the Conditions.

### 2. Application

The Conditions and Special Conditions (if any) shall prevail over any inconsistent terms or conditions referred to in the Buyer's order or in correspondence or elsewhere and any conditions or stipulations to the contrary are hereby excluded and extinguished. No variation or waiver of or addition to the Contract shall be binding unless expressly agreed or confirmed in writing by an officer of the Seller.

### 3. Quotations and Orders

No quotation issued by the Seller shall constitute an offer to sell the Goods. Any order for any article shall be made in writing and an order placed by the Buyer, whether or not in response to a quotation of the Seller, shall constitute an offer made to the Seller subject to the Conditions and any Special Conditions.

### 4. Prices

- The price(s) payable for the Goods shall be the Seller's prices at the date of acceptance of the Order so that the Seller shall have the right at any time by notice to the Buyer to revise upwards or downwards quoted prices or prices set out in any Special Conditions or the amount of any cost of carriage of freight allowance to take account of increases in costs including (without limitation) costs of acquisition of the Goods or any part thereof or parts therefore, raw materials, carriage, labor or otherwise overheads, the increase or imposition of any tax, duty or other levy and any other variation in exchange rates.

The Buyer may at any time within 7 days after receipt of such notice give the Seller notice of its objection to any such revision and in the absence of any such objection shall be deemed to have accepted the same. If the Buyer so objects the Seller may either elect to continue to supply the Buyer at the price and/or cost of carriage or freight allowance existing at the time of the Seller's notice of revision or, at its own discretion, terminate the Contract forthwith by notice to the Buyer.

- If by reason of any law, governmental order or regulation, the price, cost of carriage and freight allowance and/or terms of payment thereunder or any increase change or variation thereto or the right of the Seller to require or receive any such payment shall be altered, prohibited or hindered in any way the Seller may forthwith terminate the Contract by notice to the Buyer.

- If at any time after the date of the Contract and before payment in full is received by the Seller the currency of the most common country of origin of the Goods or their component parts is revalued with respect to the currency in which the price hereunder is denominated by more than 2% compared with the exchange rate prevailing at the date of the Contract, then the Seller may, by notice to the Buyer increase the price for the Goods with immediate effect in the same proportion as the full amount of the revaluation of a currency shall mean a change in the commercial mid rate of exchange between such currency and another as quoted by a major US clearing bank, which results in such currency having a higher value in relation to the other.

- The price specified in the Contract for the supply of the goods is exclusive of any carriage charges.
- The Buyer shall be liable to pay (or if paid by the Seller shall reimburse the Seller in respect of) all taxes, duties and fees payable in connection with the supply of the Goods hereunder.

### 5. Payment

- The price, including, where applicable, carriage and packing charges shall be paid in U.S. Dollars on the due date which (in the absence of any variation contained in the Special Conditions) is 30 days net from the date of invoice or (in the case of the Goods returned within 30 days after delivery and found to be defective) from the date of redelivery. Time of payment shall be of the essence.
- The Buyer shall in no circumstances be entitled to make any deduction from the price payable by way of set-off or otherwise in respect of any claim or counterclaim which it may have against the Seller.
- If the Buyer shall default in payment of the price on the due date without prejudice to any other of the Seller's rights, then interest shall accrue thereafter from day to day (before as well as after judgment) on any sum outstanding until payment is made at a rate of 1 1/4 % per month, compounded monthly, or the highest interest rate allowed by law (whichever is less).
- If the Buyer shall default in payment of the price on the due date without prejudice to any other of the Seller's rights, then Seller shall be entitled to recover from the Buyer any fees and expenses to collect the amount in default.
- If the Buyer shall at any time default in payment of the price on the due date or if the Buyer's credit standing is at any time in the opinion of the Seller impaired for any other reason, then the Seller shall, in addition and without prejudice to any other of its rights, have the right:
  - to demand forthwith payment for all goods delivered to the Buyer whether or not any such payment is due, and/or
  - to withhold all deliveries of the Goods, any other goods to be supplied by the Buyer under any other contract between them and any spare parts until such payment is made in full, and/or
  - to supply goods on a cash-on-delivery basis and/or
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### 6. Title

- Title to the Goods shall pass to the Buyer when the Goods have been delivered to the Buyer and have been paid for in full.

- Until property in and title to the Goods has passed to the Buyer in accordance to paragraph (a) above the Buyer shall so far as practicable keep the Goods separate from other goods on its premises and so far as to be readily identifiable as goods of the Seller. The Buyer may only resell the Goods in the ordinary course of business. The proceeds of resale of the Goods shall belong to the Seller and the Buyer shall keep such proceeds separate from any other moneys in its possession, and shall not represent or hold itself out as being the agent of the Seller in respect of such resale or sale and shall indemnify the Seller in respect of claims by the Buyer's customers resulting from any act or omission on the part of the Buyer. The Seller may, at any time by notice to the Buyer, in its sole discretion, revoke the right to resell or sell. Upon such determination or revocation the Buyer shall promptly place the Goods at the Seller's disposal and the Seller, without prejudice to any of its rights, shall be entitled to enter upon the Buyer's premises and do all other things necessary for the purpose of removing the Goods without incurring any liability for damage caused in so doing and for this purpose the Buyer shall afford the Seller a reasonable assistance to locate and take possession of the Goods.

- For the purpose of this Condition and in the absence of evidence to the contrary goods of the same kind supplied at any time by the Seller to the Buyer shall be deemed to have been resold or processed in the order in which they were supplied.

- Notwithstanding the above provisions of this Condition the Seller may at any time, in its sole discretion, transfer or property in and title to the Goods to the Buyer.

- Buyer hereby grants to Seller a lien and security interest on all of the Goods hereafter sold and in the possession or control of Buyer. Said Goods shall be and remain subject to such lien and security interest of Seller for payment of all sums of money due Seller from Buyer. The provision of this paragraph relating to such lien and security interest shall constitute a security agreement under and subject to the Uniform Commercial Code of the State of Georgia, so that Seller shall have and may exercise a security interest in all of the Goods in the possession or control of Buyer, in addition to and cumulative of other rights and remedies provided by law or by the other terms of this Agreement. Buyer agrees to execute as debtor such financing statements or other documents Seller may now or hereafter request in order to protect or further the Seller's security interest. Notwithstanding anything herein to the contrary, at any time, Seller is specifically authorized to act as Buyer's attorney-in-fact and sign and file on behalf of Buyer any and all documents necessary to protect or perfect its security interest as stated herein.

### 7. Delivery and Risk

- In any case where the price includes freight charges or other costs of carriage the Seller shall have the right at its own discretion to select the route and means of transport. Seller shall be liable for all of its expenses and any (a) named in the Contract or Special Conditions or if none be named, at the Buyer's premises, the Seller shall convey the Goods to the point nearest to the place of delivery to which there is reasonable and suitable access and the Buyer shall be solely responsible for unloading the Goods and carrying the Goods to the place of delivery. Dispatches below a certain minimum value will be subject to a standard delivery charge, which may be changed from time to time without prior notice. The Seller reserves the right to deliver 10% more or 10% less than the contract quantity of the Goods.

- Unless otherwise specified in the Contract or Special Conditions all of the Goods will be shipped F.O.B. Dalton, Georgia. Title and risk of loss to all Goods ordered by Buyer shall pass to Buyer upon receipt of such Goods by the common carrier at Seller's plant. Buyer shall be responsible for filing claims with the carrier and for any claims otherwise specified in the Contract or Special Conditions, shipment will be by means of common carrier selected by Seller and packaging with standard commercial practices for domestic shipment. Buyer shall bear the cost of any taxes, levies, duties or fees of any kind, nature or description whatsoever applicable to the sale or transportation of any Goods sold by Seller to Buyer, and Buyer shall pay to Seller all such sums upon demand, unless Buyer shall provide Seller, at the time of the submission of its purchase order to Seller, with tax exemption certificates or permits acceptable to the appropriate taxing authorities.

- Delivery dates are approximate only and Seller will use reasonable efforts to adhere to such delivery dates, the Seller shall be under no liability for any loss, injury, damage or expense caused by any delay in delivery, shipment or such proceeds (including without limitation) the Seller's negligence. Delay shall not entitle the Buyer to cancel any order, or to refuse to accept delivery of all or any of the Goods or of all or any other goods pursuant to any contract between the Seller and the Buyer.

- If at any time after the date of the Contract and before payment in full is received by the Seller the currency of the most common country of origin of the Goods or their component parts is revalued with respect to the currency in which the price hereunder is denominated by more than 2% compared with the exchange rate prevailing at the date of the Contract, then the Seller may, by notice to the Buyer increase the price for the Goods with immediate effect in the same proportion as the full amount of the revaluation of a currency shall mean a change in the commercial mid rate of exchange between such currency and another as quoted by a major US clearing bank, which results in such currency having a higher value in relation to the other.

- For the purpose of this Condition and in the absence of evidence to the contrary goods of the same kind supplied at any time by the Seller to the Buyer shall be deemed to have been resold or processed in the order in which they were supplied.

### 8. Inspection and Rejection

- The Buyer shall inspect the Goods immediately upon receipt. The Buyer shall not be entitled to reject the goods by reason of short delivery, delivery of the wrong items or damage to the Goods unless it has made an appropriate qualification to the carriers receipt and given written notice of rejection to the Seller within 3 days after the date of receipt. The Buyer shall not be entitled to reject the Goods if it has used or processed them in any way.

### 9. Missing Goods

- If the Goods are not received within 3 working days after receipt of the corresponding invoice the Buyer shall inspect the Goods and the Seller shall have such notification in writing. If no such notification is given within the time limit prescribed the Goods shall be deemed to have been delivered in accordance with the Contract.

### 10. Containers

- Deposits charged for containers remain the property of the Seller and must be used for the carriage or storage of any other materials. All such containers must be returned to the Seller within 10 days from the date of the invoice, transportation charges pre-paid to the place of return indicated by the Seller. If so returned in good condition, the deposit charge will be refunded.

### 11. Force Majeure

- The Seller shall not be liable to the Buyer for any loss, damage, which may be suffered by the Buyer as a direct or indirect result of the supply of the Goods by the Seller being directly or indirectly prevented, hindered or delayed by reason of any circumstances beyond the Seller's control and affecting the provision of all or part of the Goods by the Seller's usual source of supply or the delivery of the Goods by the Seller's usual source of supply or the delivery of the Goods by the Seller's normal route or means of delivery or other circumstances whatsoever, including (without limitation) any act of God, War, Riot, Strike, Seller's dispute or labor disturbance, accident breakdown of plant or machinery, failure or shortage of power supplies, fire, flood, drought, explosion, difficulty in obtaining workmen, materials or transport, refusal or any license or permit or any order sanction or request of any Government or Government authority. In the event of any such circumstances the Seller shall have the option (exercisable by notice to the Buyer) to terminate the Contract (whereupon the Seller shall be relieved of all liability under the Contract), or to extend the time for delivery or other performance by a period equal to that during which such circumstances subsist, or to reduce the quantity of the Goods to be supplied by the Seller in all cases without incurring any liability for any loss or damage suffered by the Buyer as a result.

### 12. Termination

- If the Buyer shall fail to make any payment when it becomes due, or shall default in due performance or observance of any other obligation under the Contract, or shall enter into any composition arrangement with creditors or there shall be filed by or against Buyer in any Court pursuant to any statute either of the United States or of any state or otherwise, a Petition in Bankruptcy or Insolvency or for reorganization or for the appointment of a Receiver or a Trustee of all or a portion of Buyer's property or if Buyer makes an assignment for the benefit of creditors, or if there is an assignment by operation of law or if any execution or attachment shall be levied upon any of the Buyer's property, the Seller may stop any of the Goods in transit and suspend or cancel further deliveries and by notice in writing to the Buyer may forthwith determine the Contract, with respect to its rights under the Contract and otherwise as law.

### 13. Warranty, Liability and Indemnity

- The Seller warrants that at the date hereof the Goods meet the specification(s) of the Seller. It is the Buyer's responsibility to insure, by any means whatsoever, that the Goods are fit and suitable for the purpose for which the Buyer requires them in the conditions in which they will be used. If any goods do not conform to such warranty the sole remedy for the Buyer is the Seller's option to either:
  - replace the Goods found by the Seller to be in its sole judgment, not to conform to the warranty and refund to the Buyer the purchase price of such goods;
  - take such steps as the Seller deems necessary to bring the Goods into conformity with such specification; or
  - take back the Goods found not to conform to the warranty and refund to the Buyer the appropriate part of the price.

### PROVIDED THAT

- the liability of the Seller shall in no event exceed the price payable or paid by the Buyer for the Goods.
- performance of any one of the above options (as limited by (a) above) shall constitute an entire discharge of the Seller's liability under the warranty.

The foregoing warranty is conditional upon:

- the Seller receiving from the Buyer within 7 days of the date of delivery of the Goods notice of the alleged defect the delivery number of the allegedly defective Goods and their date of delivery;
- the Buyer affording the Seller reasonable opportunity to inspect the Goods and at the Seller's request and in accordance with its shipping instructions returning the allegedly defective Goods to the Seller's nominated works freight and carriage pre-paid, for inspection;
- the Buyer not attempting to maintain the Goods in accordance with any instructions or recommendations of the Seller;
- the Buyer making no further use of the allegedly defective Goods after the time at which the Buyer discovers or ought to have discovered the alleged defect.

- If it is found in the Seller's sole judgment that the alleged defect is not covered by the terms of the foregoing warranty or if the warranty claim is made outside the relevant warranty period, which shall not under any circumstances exceed six months from the date of receipt of Goods by Buyer, the Buyer shall pay the cost of reconstituting or replacement of the allegedly defective goods at the Seller's then current rates and all transportation costs from the Seller's premises to the Buyer's premises.

- Except as provided in Condition 13(a) the Seller shall have no liability to the Buyer in respect of any defect in the Goods or other breach of contract of whatsoever nature or other default or negligence on the part of the Seller its employees sub-contractors or agents and all conditions, warranties or other terms, whether express or implied, statutory or otherwise, in relation to the Goods their quality and their fitness for any purpose are hereby excluded. Without limiting the foregoing:

- the Seller shall not be liable in respect of any loss or damage whatsoever arising from the claim or of any person against the Seller or Buyer or any loss of profits, loss of business, economic loss or consequential loss or incidental loss or damage suffered by the Buyer.
- all recommendations and advice given by or on behalf of the Seller to the Buyer as to methods of storing, using or applying the Goods, the methods to which the Goods may be applied and the suitability of the Goods for use in any manufacturing process or in connection with any other materials are given without liability on the part of the Seller.
- all drawings, specifications, performance data, weights and the like contained in any literature or other materials supplied by the Seller under or in connection with the Contract or otherwise communicated to the Buyer are provided or made by the Seller in the belief that they are accurate as reasonably possible, but they do not constitute a description of the Goods, nor shall they be taken as representations by the Seller nor are they warranted to be accurate.

- The Buyer shall indemnify the Seller against all liability, actions, claims, demands, costs, charges and expenses, including attorney fees, arising under law or cause of action in any part of the world resulting from any defect in the Goods supplied by the Buyer or any other manufacture PROVIDED THAT such defect is not caused or contributed to by the fault or negligence of the Seller.

- IT IS UNDERSTOOD THAT (EXCEPT AS STATED IN THIS CONDITION 14) SELLER MAKES NO WARRANTIES REGARDING THE GOODS, AND DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### 14. Seller's Code of Practice

- In any case where the Goods are to be used, processed or resold by the Buyer, the Buyer shall duly observe and adhere to all provisions of any code of practice issued by the Seller with reference thereto, in particular (without limiting the foregoing) the Buyer shall conform to any instructions or recommendations given by the Seller in respect of the Goods and shall comply with any minimum stock and/or turnover requirements of the Seller.

### 15. Confidentiality

- The Buyer shall keep and shall procure that its directors, officers, employees and agents shall keep confidential and shall not copy or alter or part with possession of or disclose to any other person any drawings, parts lists and other technical or promotional materials supplied by the Seller nor disclose the contents of any such to any other person.

### 16. Marking

- The Buyer shall not erase, remove, cover, deface or alter any mark or the Goods or on or notice thereof, guarantee or other statement or marking affixed or applied by the Seller on or to either the Goods or any technical or promotional materials relative to the Goods.

### 17. Supplied by Associates

- The Seller shall, in its sole discretion be supplied by any of its affiliates. Any Goods so supplied shall be invoiced by the affiliate making the supply and such affiliate shall be deemed to be a party to the Contract to the extent of such supply in substitution for the Seller.

### 18. Assignment

- The Contract is personal to the Buyer which shall have no right to assign or delegate all or any of its rights and obligations hereunder.

### 19. Waiver

- Failure on the part of the Seller to exercise or enforce any right conferred by the Contract shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof or of any other right on any later occasion.

### 20. Notices

- Any notice to be given hereunder shall be given by sending the same by overnight courier or in a pre-paid certified letter with return receipt requested or by facsimile with a confirmation receipt to the principal place of business of the relevant party or to such other address as such party may have notified to the other for the purposes hereof. Any notice sent by overnight courier shall be deemed to have been served the following business day. Any notice sent by post shall be deemed to have been served three business days after mailing. Any notice sent by facsimile shall be deemed to have been served on the day of its dispatch.

### 21. Law and Jurisdiction

- The Contract shall be governed by and construed in accordance with the laws of the State of Georgia. The Seller and the Buyer submit to the non-exclusive jurisdiction and venue of the Georgia Courts located in either Fulton or Forsyth counties in respect of any dispute arising out of or in connection with the Contract.

### 23. Applicable Laws

- The Buyer shall conduct its business in strict compliance with all present and future applicable laws, ordinances, regulations and other requirements of any governmental authority, and will obtain all necessary permits, licenses and other consents for the operation of its business.