

# Equipment Purchase Agreement (Industrial Sewing Lines)

**Contract ID:** EPA-VAC-OCT-2025-005  
**Effective Date:** 22 October 2025  
**Buyer:** Velocity Apparel Company, a New York corporation ("Buyer").  
**Seller:** ItalMech S.p.A., a company organized under the laws of Italy ("Seller").

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### 1. Equipment; Scope

1.1 Seller shall supply fully automated sewing lines and related control cabinets as described in **Schedule A**.

### 2. Term; Delivery Timeline

2.1 Target shipment within sixteen (16) weeks of PO acceptance.

### 3. Price; Payment; Taxes

3.1 Total price is set forth in Schedule A in USD. Payment terms: 30% down, 60% prior to shipment, 10% upon acceptance.

3.2 Prices exclude US sales/use taxes.

## 4. Delivery; Incoterms

4.1 Delivery term: **DDP Buyer's facility, New York, USA (Incoterms 2020)** unless otherwise agreed.

4.2 Title and risk transfer at delivery.

## 5. Tariffs and Duty Allocation

5.1 Seller is **Importer-of-Record** and responsible for US import duties, tariffs and customs fees on EU-origin Equipment.

5.2 Baseline US duty rates are recorded in Schedule A for reference.

## 6. Change in Law; Pass-Through/Caps

6.1 If the United States imposes new or increased tariffs on EU-origin machinery applicable to the Equipment after the Effective Date, Seller may **pass through** the incremental duty amount for undelivered Equipment, calculated as:

**Tariff Pass-Through = (New Duty Rate – Baseline Duty Rate) × Customs Value.**

6.2 Annual pass-throughs are capped at **5%** of the total contract price.

6.3 Seller will provide documentary evidence (entry summaries) supporting any claimed pass-through.

## 7. Installation and Acceptance

7.1 Seller will supervise installation; acceptance occurs upon successful completion of the Site Acceptance Test.

## 8. Warranties; Service

8.1 Seller warrants the Equipment for eighteen (18) months from delivery or twelve (12) months from commissioning, whichever occurs first.

8.2 Spare parts availability for seven (7) years from delivery.

## 9. Liability; Insurance

9.1 Neither party is liable for indirect or consequential damages.

9.2 Each party will maintain customary insurance.

## 10. Force Majeure

10.1 A party is excused for delays due to events beyond its reasonable control.

## 11. Termination

11.1 Either party may terminate for cause upon thirty (30) days’ notice and failure to cure.

## 12. Governing Law; Disputes

12.1 New York law governs; disputes resolved by arbitration under AAA Rules in New York.

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# Schedule A – Equipment; HS; Origin; Baseline Duty

Line	Description	HS Code	Origin	Baseline US Duty	Price (USD)
Line-A	Automated sewing line (8 heads)	8452.10	IT	2.5%	420,000
Line-B	Control cabinet and PLC	8537.10	IT	2.7%	58,000

**Incoterm:** DDP New York, Incoterms 2020.

**Importer-of-Record:** Seller.