

## GENERAL TERMS AND CONDITIONS OF SALE

1. Prices herein are based on current costs of material and labor, and if any changes occur in such costs, all prices may be adjusted by us at any time before shipment either proportionately to such changes in costs or in accordance with a general price adjustment made by us at the time to purchasers of the same class.

2. All quoted prices are subject to the addition of any applicable sales, excise, manufacturer's, use or other comparable taxes levied by Federal, state or local authority.

3. Price stated are only for the quantities indicated, and for production and shipment in one lot or in accordance with schedule indicated. Changes by the Purchaser in quantities, or in the schedule or dates of production or shipment, or in specifications, will be accepted only if they do not affect our costs in any way or if an appropriate adjustment in price is agreed upon.

4. Preparation charges are those required for the initial production of the parts, including casts of dies or other samples unless such samples are covered by specific quotation in addition to preparation charges. The payment of such charges does not convey any title or the right of possession. Such payment does convey the right to the exclusive use of any special tools required and to their preservation by us for three years only after the date of the last order requiring their use. Preparation charges are made only for the initial quantity and for the rate of delivery specified of a particular design, we assuming all the expense of upkeep. The charge for any change in design, for additional quantities, or for different rate of delivery will be quoted by us upon request.

5. Unless otherwise mutually agreed in writing, forgings will be furnished with a natural drop-forged surface, without machine work, and within the commercial tolerances for quantity, size, and shape as specified in the latest revision of the "Tolerances for Impression Die Forgings" as adopted by the Forging Industry Association. A copy of these tolerances will be furnished to the purchaser without charge, upon application to us. Other parts, including machined forgings, will be furnished to tolerances described on the face of our quotation or applicable drawings.

6. The delivery dates promised are approximate. We shall not be responsible for reasonable or excusable delays, nor shall the purchaser refuse to accept deliveries because of any such delays. "Excusable delays" include delays resulting from accident, strike, fire, government controls, inability to obtain materials from suppliers, failure of materials correctly ordered by us to meet specifications, or other causes beyond our control. "Reasonable delays" include, without limitation, delays to which the purchaser, when notified, makes no objection.

7. Orders will not be subject to cancellation or modification, either in whole or in part, without our written consent, and then only under terms that will reimburse us for all applicable costs incurred by us, including costs of purchased materials, tools and dies, and a reasonable allowance for profit.

8. No liability will be assumed by us for the infringement of any patent rights asserted because of the nature, structure or use of any products ordered by the purchaser, and the purchaser shall indemnify and hold us harmless from all claims for loss or damage, and from all court costs, attorney's fees and other expenses paid or incurred by or imposed upon us in connection with the defense of any action brought against us by reason of our performance of any order. Upon our request, the purchaser will undertake at its own cost and expense to defend any such action which may be brought against us.

9. We warrant that parts processed by us will conform with the purchaser's design and specifications, and will be free from defects in material or in workmanship, our obligation hereunder being expressly limited to repair or replacement, without cost to the purchaser, of defective parts, or, at our option, the repayment of the purchase price upon their return. This shall constitute the purchaser's sole and exclusive remedy. Purchaser will notify us in writing of any parts which do not conform to this warranty within thirty (30) days after their delivery, and if purchaser shall fail to give such notice, claims for breach of warranty, if any, shall be waived. Parts may be returned at our expense only after inspection by us and upon receipt by the purchaser of definite shipping instructions from us. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED; AND WE MAKE NO IMPLIED WARRANTY OF MERCHANTABILITY BEYOND THE EXPRESS TERMS HEREOF. THERE IS NO WARRANTY THAT THE PRODUCTS WILL BE FIT FOR ANY PARTICULAR PURPOSE. We shall not be liable for any incidental or consequential damage, whether for personal injury, property damage, delay or otherwise, resulting from the use of, or from the inability to use, defective parts. We shall not be responsible for defects in the specifications, drawings, designs or materials furnished or required by the purchaser, and the purchaser shall indemnify us from all claims and liability resulting from such defects.

10. All claims for shortages must be filed with us within 30 days after the receipt of the shipment claimed to be short and shall otherwise be waived.

11. We will comply with all Federal, state and local laws and government regulations necessarily applicable to a purchase order accepted by us.

12. Any contract of sale shall be construed in accordance with the provisions of the Uniform Commercial Code.