

CONDITIONS OF SALE AND MANUFACTURING PRACTICES

1. **ACCEPTANCE.** This quotation expires thirty (30) days from the date hereof, unless modified in writing by Seller prior to the receipt of Buyer's order. All orders are subject to written acceptance by Seller at its offices. Shipments, deliveries and performance of work shall at all times be subject to approval of Seller's credit department. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or upon such other terms and conditions as may be satisfactory to Seller's credit department. Clerical errors are subject to correction by Seller at any time.

2. **PRICES.** Prices quoted are based on current material costs and present wage rates. In the event that either change before the completion of work, Seller may, at its option, adjust the price to compensate for such changes in material costs or labor rates.

3. **TAXES AND FEES.** Prices stated herein do not include any manufacturers, sales, use or other excise taxes, charges or duties, and the amount of any thereof which Seller is required to pay or collect will be invoiced to Buyer. Buyer shall pay all such taxes, charges and duties arising by; reason of this order and all other taxes, charges and duties of whatever nature assessed upon the goods described on the front side hereof thereafter referred to as "Products"). Buyer shall also pay any collection fees and reasonable attorneys' fees incurred by Seller in collecting payment of the purchase price and any other amounts for which Buyer is liable under the terms and conditions hereof.

4. **WAREHOUSE MATERIAL.** Should Buyer authorize warehouse material for an order quoted on the basis of mill steel. Buyer shall pay in addition to the prices stated herein, a premium charge (to be invoiced separately by Seller) to cover the quantity of warehouse material purchased.

5. **PAYMENT.** Payment in full of the purchase price shall be made within thirty (30) days after shipment, unless otherwise indicated on the front side hereof. Buyer agrees to pay the maximum interest allowed under state law on any late payments.

6. **SHIPPING.** Unless otherwise instructed by Buyer, Seller shall use its own judgment as to the means of shipment and routing consistent with the nature of the Products shipped and good commercial standards. Buyer shall bear all expenses paid or incurred by Seller in delivering the Products. Risk of loss of the Products shall pass to Buyer at the time the goods are tendered for shipment. Seller shall have no responsibility for insuring shipments, unless specifically requested by Buyer and agreed to in writing by Seller. Seller, at its option, may ship and invoice products as quoted. When component parts of an assembly are quoted separately, such parts shall be invoiced and shipped as quoted without regard to units of assembly or multiples thereof.

7. **OVERRUN: UNDER-RUN.** Unless otherwise indicated on the front side hereof, prices are for indicated quantities, for production and shipment in one lot (or as near thereto as Seller's production makes possible. Buyer shall accept over-run or under-run on each Product ordered not exceeding ten percent (10%) of quantity ordered, without further liability to Seller. Where closer control of quantity is required, Buyer must obtain Seller's prior written consent to modify or waive the allowable quantity variation.

8. **DELIVERY TIME.** Every effort will be made to fill orders within the time promised; however, Seller assumes no responsibility or liability to Buyer arising out of or resulting from any delays in delivery.

9. **ENTIRE AGREEMENT.** This instrument contains the entire agreement between the parties and supersedes any prior or contemporaneous oral or written agreements or communications between them relating to the subject matter thereof. Seller and Buyer agree that the terms and conditions set forth herein shall prevail, notwithstanding contrary or additional terms in any purchase order, sales acknowledgement, Confirmation or any other document issued by Seller or Buyer effecting the purchase and/or sale of products. Any subsequent cancellations, modifications, or amendments hereto must be in writing, signed by duly authorized officers of Buyer and Seller.

10. **DELAY IN DELIVERY.** In the event that delivery and acceptance of this material are delayed for a period of 30-days or longer after tender of delivery by Seller, for reasons beyond Seller's reasonable control, then payment of the price shall become immediately due and payable.

11. **CANCELLATION.** Orders may be cancelled or deliveries deferred by Buyer only on the condition that Buyer shall assume liability and reimburse Seller for its costs and expenses incurred prior to receipt of written notice of such cancellation or deferral, including without limitation costs of cancelling orders for materials: labor, materials and profit on work in process; and contract price of products completed.

12. **FORCE MAJEURE.** The acceptance and fulfillment of orders and agreements by Seller are contingent upon and subject to accidents, breakdowns, strikes, sabotage, riots, insurrection, war, delays, interruptions in or failure of sources to supply materials and equipment, labor and transportation, acts of God, or other causes and conditions, whether of like or different nature, affecting Seller, and to orders, contracts, priorities, directives, requisitions or requests of the federal or state governments, whether or not voluntarily assumed.

13. **MANUFACTURING PRACTICES.** In the absence of specific requirements specified by Buyer on blueprint or in writing, commercial tolerances and custom and usage in manufacturing practices in the stamping industry, without extra operations or tooling, shall apply. Burrs will be kept to a minimum consistent with efficient operation, but no extra deburring operations are included unless specified in writing by Seller.

14. **DIES.** The stamping industry considers dies, including engineering and design, an integral part of the manufacturing process of stampings. Therefore, payment of initial charges for dies, tools, jigs, fixtures, patterns, and gages supplied by Seller conveys neither ownership nor the right of removal from Seller. Ownership, including the right of removal, may be obtained by Buyer by negotiating an agreement between Seller and Buyer, for a fair reimbursement for the cost of the dies, design, development, experimental work, maintenance, and storage. Waiver of the above rights of ownership is made when Seller so states on the front side of the quotation or otherwise in writing. Special dies paid for by Buyer will be limited to use for Buyer's own product requirements without Seller's prior written consent. Seller shall keep dies in normal and reasonable state of good preservation as long as they remain in Seller's control. Seller accepts no responsibility for the operation of these dies when used in any other plant than Seller's or after they have been once removed. Cost of adaptation, modification, or excessive maintenance of tooling furnished by Buyer will be paid for by Buyer. Tools and dies inactive for a period of three years may, at option of Seller, be scrapped upon notification to Buyer and upon failure to receive advice to the contrary within thirty (30) days. Any resulting scrap value of dies shall belong to Seller as payment in full for storage and maintenance costs.

15. **USE OF BUYERS MATERIAL.** Orders requiring use of Buyer's material are accepted subject to delivery (F.O.B. Seller's plant) of amount of material and in dimensions as specified by Seller. If material is defective or will not perform to Seller's requirements because of chemical composition, physical properties, or dimensions, Seller may cancel order without incurring liability and Buyer shall pay Seller's costs through lime of cancellation. Scrap resulting from stamping operations shall be property of Seller unless otherwise agreed in writing in advance.

16. **WARRANTIES.** Seller warrants to Buyer that the Products shall be free from defects in materials and workmanship for one (1) year from the date of shipment. There is no warranty on Products which have been modified, adjusted, neglected, abused, improperly operated or maintained. THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

17. **INSPECTION.** Although it is the intention of the Seller to charge only for material which meets the terms hereof of, one hundred percent (100%) inspection is not guaranteed. Inspection by Seller will be made on a percentage basis only and will be in accordance with Seller's standard practice of quality control. If one hundred percent (100%) inspection is required, Buyer shall so state in a conspicuous manner on Buyer's order.

18. **BUYERS REMEDIES: LIMITATION OF LIABILITY.** If Buyer claims material delivered is not as ordered, Buyer must notify Seller within ten (10) days of receipt of shipment. If such claim is sustained to the satisfaction of both parties, Seller shall repair, replace, credit or complete the order, subject to the limitations of paragraph seven (7) hereof. Claims for shortage must be made within ten (10) days from receipt of shipment, and in every case, Buyer must advise Seller of the weights found in each shipment, including tare, and the method used in arriving at a count of the parts. Freight and credit for returned goods will not be allowed by Seller without previous authorization. Under no circumstances shall Seller be liable for damages or any claims for expense involved in using the Products or for any consequential or incidental damages whatsoever, and Seller's liability for damages to Buyer for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, including but not limited to negligence or under the doctrine of "strict liability", shall be limited to the total price paid for the Products that are the subject matter of or are directly related to the cause of action. No action, regardless of the form, may be brought more than one (1) year after the cause of action arises. Seller's liabilities and Buyer's remedies under the warranties set forth herein shall be solely limited to Seller's delivering to Buyer replacements of any Product or parts thereof, or repairing such Product or part, found defective by inspection, or completing any undelivered order. Seller shall not be liable for defective goods on those parts further processed by the Buyer and resulting in changes which would make reworking impractical.

19. **INDEMNITY.** Buyer shall defend, indemnify and hold Seller harmless from any and all claims, actions, losses, damages (including reasonable attorney's fees), obligations, liabilities and liens (including, without limitation, any of the foregoing arising or imposed in connection with latent or other defects, under the doctrine of "strict liability", or arising from a claim of infringement of any patent or other proprietary rights of a third party), arising out of the purchase, possession, operation, condition, return or use of the Products if manufactured in accordance with Buyer's specifications, or by operation or law: excluding, however, any of the foregoing resulting solely from the negligence or misconduct of Seller.

20. **INSURANCE.** Buyer's material, dies, or tooling shall not be insured by Seller unless specifically requested by Buyer and made a part of the order at Buyer's expense. If no special agreement is made, Seller assumes no responsibility for destruction or partial loss due to fire, or other casualty beyond Seller's specific and reasonable control.

21. **SECURITY INTEREST.** Buyer hereby grants Seller a purchase money security interest in all Products and in any proceeds (including accounts receivable) until the full purchase price, including all freight and

taxes, has been paid and will execute any document required to perfect this security interest. Buyer appoints Seller as Buyer's attorney-in-fact to execute and file any financing statements to perfect the security interest.

22. **NO WAIVER.** No delay or omission to exercise any right, power or remedy accruing to Seller upon breach or default by Buyer under this contract shall impair any such right, power or remedy of Seller, or shall be construed as a waiver of any such breach or default, or any similar breach or default thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers must be in writing.

23. **SERVABILITY.** If any provision, clause or part, or the application thereof under certain circumstances is held invalid, the remainder of this agreement or the application of such provision, clause or part under other circumstances shall not be affected thereby.

24. **NOTICE.** Any notice shall be considered given when deposited in the United States mail, postage prepaid, addressed to the other party at the address given herein.

E.C. STYBERG ENGINEERING COMPANY. INC.