

ACCURATE SCREW MACHINE TERMS

GENERAL-Payment of this invoice constitutes acceptance of the "terms and conditions" continued herein and/or provided in an acknowledgment of your order for parts and/or services reflected in this billing. No modification, extension or release from any provision hereof shall be effected by mutual agreement, acknowledgment, acceptance of purchase order forms, or otherwise, unless the same shall be in writing, signed by the other party, and specifically described as an amendment or extension of this agreement.

PRICE-Prices are based on existing labor and material costs and are subject to revision if either is revised prior to shipment of total order. Prices include domestic shipment packaging. Additional charges will be quoted for export packaging. Any subsequent change in Buyers purchase order may result in a change in price.

TOOLING-Payment of initial charges for tooling (including tools, dies, jigs, fixtures, patterns and gages) supplied by Seller conveys neither ownership nor the right of removal, which a Buyer may obtain only by making a fair reimbursement, as agreed upon between Buyer and Seller, for the total cost of said items and for their maintenance and storage. Seller agrees to keep tooling in reasonably good condition so long as it remains in Seller's control, but accepts no responsibility for its operation thereafter. Seller may scrap tooling inactive for a period of two (2) years upon sixty- (60) day's prior written notification to Buyer unless directions to the contrary are received within the sixty- (60) days. Any resulting scrap value of tooling shall inure to Seller as payment for storage and maintenance cost. Buyer will be charged for costs incurred by Seller in connection with the adaptation, modification, or excessive maintenance of tooling furnished by Buyer.

TAXES-Buyer will reimburse Seller for any taxes which Seller may be required to pay collect under any existing or future law arising out of the sale, purchase, manufacture, delivery, storage, processing, use, consumption, or transportation of any of the products covered by this agreement.

WARRANTY-Seller warrants all products sold hereunder for 30 days from date of shipment to Buyer against defective material or workmanship (but not against damage caused by accident or abuse) when such products are used on vehicles the specifications of which have been approved by Seller's Engineering Department.

"Seller's warranties and certifications hereunder are void, and Buyer assumes all responsibility, if additions or modifications to Seller's products sold hereunder are made unless such modifications or additions are approved by Seller, in writing or are in accordance with Seller's published recommendations."

"Seller neither warrants nor certifies the performance of products which, at the request of the Buyer, incorporate components of other manufacturers, nor does Seller certify or warrant the materials or workmanship of said components nor their compatibility or suitability when incorporated into Seller's products."

Seller will at its option repair or replace such products, free of charge, if found on examination by it to be defective and if any necessary return charges are prepaid. SELLER MAKES NO WARRANTY AS TO MERCHANTABILITY OR, EXCEPT AS STATED ABOVE, AS TO FITNESS OF PRODUCTS FOR A PARTICULAR PURPOSE.

The above warranty and the above obligation to repair or replace are complete and exclusive and Seller expressly disclaims liability for special or consequential damages of any nature. If it is necessary to return any products under this warranty, Buyer agrees *not* to make any deduction on account thereof from remittances or current accounts while claims are in process of disposition. Any expense incurred without Seller's consent for repairs or replacement will not be allowed.

SHORTAGES, DAMAGE IN TRANSIT-If the quantity of products received by Buyer shall be less than the quantity shown in the invoice or if the products received by Buyer shall have been damaged in transit, Buyer shall, within thirty (30) days after receipt of such

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products, give written notice of such shortage or damage to the agent by the delivering carrier in order to permit verification of the shortage or damage by the delivering carrier and in order to substantiate a formal claim when and if presented, and Buyer shall send a copy of such notice to Seller.

DELAY OR NONPERFORMANCE-Seller shall not be liable for delay or failure in performance due to fires, floods, strikes or other differences with workmen, accidents, labor or material or transportation shortages, war (declared or undeclared), riot, governmental orders or regulations, legal interference or prohibition, defaults on the part of suppliers or other causes beyond Seller's reasonable control.

SHIPMENTS, CANCELLATION OF ORDER BY SELLER-Partial shipments shall be permitted, and Seller may invoice each shipment separately. Shipments and deliveries shall at all times be subject to the approval of Seller's Credit Department. If Seller shall for any reason be in doubt as to the financial responsibility of Buyer, Seller may decline to make deliveries except on receipt of cash in advance or of other security satisfactory to Seller if Buyer fails to fulfill the terms of payment, Seller may cancel the contract.

CANCELLATION OR CHANGES BY BUYER-Orders in process may be cancelled only with Seller's written consent and upon payment of Seller's cancellation charges. Orders in process may not be changed except with Seller's written consent and upon agreement by the parties as to an appropriate adjustment in the purchase price.

PATENT INDEMNITY-Except as to products manufactured to designs or specifications of the Buyer, Seller agrees to indemnify and hold Buyer harmless from liability for costs and damages awarded against Buyer in any civil action for infringement of any United States patent claims allegedly covering products in the form in which they are furnished hereunder and provided that Buyer has given Seller notice of any suit for infringement brought against Buyer within ten (10) days of the date of service of complaint upon Buyer and has permitted Seller to control the defense of such suit. However, in no event shall Seller be liable for any infringement by Buyer resulting from the use or sale of the products furnished hereunder where such products are suitable for substantial non-infringement use Buyer shall indemnify and hold Seller harmless from liability for costs or damages awarded against Seller in any civil action for infringement of any United States patent claims allegedly covering the products manufactured to designs or specifications of Buyer.

DATA-Any specifications, drawings, technical information, or other data furnished by Seller to Buyer shall remain Seller's property, shall be kept confidential by Buyer, and shall be returned to Seller at Seller's request.

WAIVER OF BREACH-No waiver by Seller of any breach of these provisions shall constitute a waiver of any other breach.

CONSEQUENTIAL DAMAGES-Seller shall not be liable hereunder to Buyer or others claiming through Buyer for special or consequential damages for any reason whatsoever.

LAWS-To the best of Seller's knowledge and belief, it is in compliance with all local, state and federal laws. Acceptance of Buyer's order is subject to the condition that Seller's obligation under such local, state and federal laws and Executive Orders, Rules and Regulations issued hereunder, whether now in force or hereafter made effective, shall be no greater as a result of this agreement and no greater than required by such laws and Seller expressly disclaims assumptions of any of Buyer's obligations under such laws.

ACCEPTANCE-Buyer must notify Seller at once if the foregoing Terms and Conditions are not acceptable.

COMPLIANCE WITH MOTOR VEHICLE SAFETY STANDARDS-Seller certifies that all products sold hereunder comply with applicable legal standards in effect on the date hereof issued under the Federal Motor Vehicle Safety Act and/or the Occupational Safety and Health Act.

PRODUCT RETURNS-All items returned must have prior approval. All returns must be sent freight prepaid. A copy of the bill of sale, the appropriate return authorization (RA), and a complete description of the reason for the return must accompany all returns.