

TERMS AND CONDITIONS OF SALE

1. **OFFER; ACCEPTANCE:** BY SUBMITTING YOUR PURCHASE ORDER FOR THESE GOODS, YOU AGREE TO THE TERMS AND CONDITIONS OF SALE SET FORTH ON THE FACE AND REVERSE SIDES HEREOF. ANY DIFFERENT OR ADDITIONAL TERMS IN YOUR ACCEPTANCE OF THIS OFFER ARE HEREBY OBJECTED TO.

Unless otherwise stated, all quotations are for immediate acceptance. All orders and contracts are subject to approval if accepted by a salesman or selling agent.

2. **Payment; Credit:** Payment shall be net 30 days. Accounts are opened only with firms or individuals who are satisfactorily rated by the Mercantile Agencies; all other buyers must pay cash in advance of delivery. Seller reserves the rights to refuse delivery except for cash including payment for all goods previously delivered, and to stop delivery, whenever, in the sole discretion of Seller, there is doubt as to Buyer's responsibility.

3. **Shipment:** The goods shall be shipped F.O.B Walworth, Wisconsin. If Buyer does not specify a preferred method of shipment, Seller shall exercise sole discretion in selecting a method of shipment and the goods may be shipped by express or parcel post. Parcel post Shipments will be insured at customer's expense unless otherwise specified, and Seller assumes no responsibility for placing valuation upon a shipment unless requested to do so by buyer.

4. **Price; Quantity:** The quoted prices are our current prices, but Buyer shall pay our prices that are in effect at the time of shipment. Buyer shall accept over-runs or under-runs not exceeding ten percent of the quantity ordered, and such over-runs or under-runs shall be paid for or allowed pro rata.

5. **Delivery:** Quoted delivery dates are our best estimates and we assume no liability for delays. Unless otherwise stated, quotations are made and orders are accepted for delivery when the goods are manufactured.

6. **Warranty:** Seller warrants that the goods shall be free from defects in material and workmanship for a period of 90 days from the date of shipment. Within the warranty period we shall repair or replace such products which are returned to us with shipping charges prepaid and which are determined by us to be defective. This warranty will not apply to any product that has been subjected to misuse, negligence, or accident; or misapplied; or modified or repaired by unauthorized person; or improperly installed.

7. **Inspection:** Quotations do not include 100% inspection by Seller unless especially stated. Buyer shall inspect the product promptly after receipt and shall notify Seller in writing of any claims, including claims of breach of warranty, within thirty days after Buyer discovers or should have discovered the facts upon which the claim is based. Failure of Buyer to give written notice of a claim within the time period shall be deemed to be a waiver of such claim.

8. **DISCLAIMER:** THE PROVISIONS OF PARAGRAPH 6 ARE SELLER'S SOLE OBLIGATION AND EXCLUDE ALL OTHER REMEDIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER OR NOT PURPOSES OR SPECIFICATIONS ARE DESCRIBED HEREIN. SELLER FURTHER DISCLAIMS ANY RESPONSIBILITY WHATSOEVER TO BUYER OR TO ANY OTHER PERSON FOR INJURY TO PERSON OR DAMAGE TO OR LOSS OF PROPERTY OR VALUE CAUSED BY ANY PRODUCT WHICH HAS BEEN SUBJECTED TO MISUSE, NEGLIGENCE, OR ACCIDENT; OR MISAPPLIED; OR MODIFIED OR REPAIRED BY UNAUTHORIZED PERSONS; OR IMPROPERLY INSTALLED.

9. **LIMITATION OF LIABILITY:** UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, LOSSES OR EXPENSES ARISING FROM THIS CONTRACT OR ITS PERFORMANCE OR IN CONNECTION WITH THE USE OF, OR INABILITY TO USE, THE GOODS FOR ANY PURPOSE WHATSOEVER.

10. **Limitation of Actions:** No action regardless of form arising out of this contract may be commenced more than one year after the cause of action has accrued, except an action for nonpayment.

11. **Samples:** Seller will submit samples for Buyer's approval only if Buyer so requests. However, Buyer agrees that Seller shall commence production as soon as its machines have been set to Buyer's specifications, regardless of whether approval of samples has been received from Buyer. Seller's sole responsibility for goods manufactured prior to receipt of Buyer's approval of samples shall be to produce goods conforming to the specifications required by this contract. If, after inspecting the samples, Buyer requests any changes in specifications, then such changes shall be made solely at Buyer's expense, and Buyer shall accept and pay for any goods manufactured to the original contract specifications prior to such change.

12. **Tolerances:** All dimensions shall be limited to specified tolerances. Unless otherwise specified by Buyer, the goods shall be manufactured to commercial tolerances; viz., for decimal dimensions — plus or minus .002 for diameters and plus or minus .010 for lengths, and for fractional dimensions — plus or minus .005 for diameters and plus or minus .010 for lengths. Samples shall be considered as having fractional dimensions, unless otherwise specified.

Buyer and Seller agree that concentricity is not a dimension but, rather, is a relation that one dimension bears to another and that concentricity must be specified separately from dimensions. If a concentricity limit is specified, it shall mean the actual eccentricity allowable between two dimensions and that the actual eccentricity is one-half of the value registered by a dial reading. When concentricity is not specified, the goods shall be manufactured in the most economical manner, without regard to concentricity.

13. **Threads:** Buyer shall specify the standard to which threads shall conform. If no other standard is specified, Seller shall follow the commonly accepted standards, namely U.S. (National). Buyer shall furnish gauges if V-threads are specified, because there is no standard for such threads.

(A) **Male Threads.** Unless "go" and "no go" gauges are furnished, Seller shall work to limits specified by the National Thread Commission's report of 1924 for Free Fits Class 2. When threading to a shoulder, the last full thread will not be cut closer to the shoulder than a distance of two threads and, in the case of fine pitches, never closer than 1/6".

(B) **Female Threads.** Threads will be tapped to 2/3 full depth, in accordance with the practice recommended by tap and die manufacturers, and the diameter produced by regular taps furnished by recognized tap manufacturers. Blind tapped holes shall not have a full thread closer than five threads from the bottom and, in the case of fine pitches, not closer than 5/32".

14. **Gauges.** Gauges are not included in the price unless especially stated. If tolerance are closer than commercial tolerances described in paragraph 12 or when dimensions cannot be readily gauged with micrometers. Buyer either shall furnish manufacturing gauges or shall pay an extra charge for Seller to supply gauges.

15. **Dies, Tools, Etc.:** All dies and tools for which Buyer pays charges shall remain Seller's property and shall be held by Seller at its disposal. Seller is not responsible for drawings, samples, models, or gauges uncalled for within 30 days after execution of any order or quotation.

16. **Buyer's Material:** If Buyer supplies the raw material, quotations are subject to change if such material will not machine at the estimated speed and feed, and Seller cannot guarantee to furnish more than 90% of the amount of the order.

17. **Patents:** Seller makes no warranty that the goods will be delivered free of the rightful claim of any third party by way of infringement or the like. Buyer shall notify Seller if making, using, or selling the goods will constitute infringement of a patent, and Buyer shall indemnify Seller, and Seller's successors and assigns, against all liabilities and expenses resulting from any claim of infringement of any patent. If Seller determines, in its sole discretion, that making, using, or selling the goods would result in the infringement of any patent, Seller reserves the rights to withdraw this quotation and to cancel any contract, without liability to Seller.

18. **Collateral Promises:** There are no representations, warranties, or conditions, express or implied, statutory or other wise except those herein contained, and no agreements or waivers collateral hereto shall be binding on either party unless in writing and signed by you and accepted by us at our Hartford office.

19. **Modifications:** Prices are subject to adjustment if Buyer requests changes in specifications, quantities, or delivery requirements. All paragraphs of this quotation shall apply to goods to which such changes apply, and no modification of the terms and conditions hereof shall be binding on Seller unless contained in writing signed by Seller and expressly stating both that such terms are being modified and the nature of such modification.

20. **Cancellation:** Buyer may cancel this order, in whole or in part, upon both written notice to us and payment of cancellation charges, which charges shall be the sum of (1) the price of all goods that have been delivered and not previously paid for, plus (2) the actual cost incurred by Seller that is properly allocable to the goods not delivered at the time of decrease or cancellation, including, without limitation, the cost of special components and materials purchased for use in producing such goods, plus (3) the profit, including reasonable overhead, that Seller would have made from full performance by Buyer, plus (4) the costs of engineering, prototypes, testing, tooling, and similar items produced for Buyer, plus (5) the reasonable costs incurred by Seller in making settlement and effecting collection hereunder. Buyer may require delivery of any material (except special tools, molds, dies and any other equipment) for which payment is made.

21. **Taxes:** All quotations are subject to the federal, state and local taxes, if any, pertinent at the point of destination.

22. **Interpretation:** Rights and liabilities arising out of any contract with Seller shall be determined under the Uniform Commercial Code as enacted in Wisconsin.

23. **Delay or Nondelivery:** Seller shall not be liable for any delay in delivery or failure to deliver hereunder when delivery has been made impracticable by fire, embargo, strike, difference with employees, accidents, acts of God, failure or inability to secure materials from usual sources of supply, or any other circumstances beyond Seller's control, either of the foregoing nature or of any other nature.

24. **Procedure Upon Impracticability:** When Seller is excused from performance by force of the preceding paragraph or of the Uniform Commercial Code, Buyer shall have the rights given by Section 2-615 and 2-616 of the Code, and the procedure provided in those sections shall be followed.

25. **Effect of Breach on Risk of Loss:** Breach of this contract by Seller shall have no effect on the provisions controlling the risk of loss of the goods, and Sections 2-510(1) and 2-510(2) of the Uniform Commercial Code shall have no effect on this contract.

26. **Information:** Buyer shall assert no claim, other than a claim for patent infringement, against Seller with respect to any information that Buyer may have disclosed or may hereafter disclose to Seller in connection with the goods or services to be provided hereunder. All such disclosures shall be nonconfidential and shall be received free from all restrictions except restrictions provided under the patent laws.