

TERMS AND CONDITIONS OF SALE

- 1. OFFER / ACCEPTANCE:** BY SUBMITTING YOUR PURCHASE ORDER FOR THESE GOODS, YOU AGREED TO THE TERMS AND CONDITIONS OF SALE SET FORTH ON THE FACE OF THIS DOCUMENT. ANY DIFFERENT OR ADDITIONAL TERMS CONCERNING 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 sales agent.
- 2. PAYMENT / CREDIT:** Payment shall be net 30 days. Accounts are opened only with firms or individuals who are satisfactorily rated by Mercantile Agencies; all other buyers must make payment of cash in advance of delivery. Seller reserves the right to refuse delivery except for payment in advance including all goods previously delivered and to stop delivery whenever, in the sole discretion of the Seller, there is doubt as to the Buyers responsibility.
- 3. SHIPMENT:** The goods shall be shipped F.O.B. Walworth, Wisconsin. If the Buyer does not specify a preferred method of shipment, the Seller shall exercise sole discretion in selection a method of shipment and the goods may be shipped by express service or parcel post. Parcel post shipments will be insured at the Buyer's expense unless otherwise specified and the Seller assumes no responsibility for placing valuation upon a shipment unless requested to do so by the Buyer.
- 4. PRICE / QUANTITY:** The quoted prices are current, but the Buyer shall pay the price that is 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 accepted for delivery of goods at the time of their manufacture. All orders are to be delivered for the complete quantity stated on the order within one year of the date of order acceptance. This may be done in one single or multiple shipments in accordance with our stated minimum shipment requirements in effect at the time of order, but entire order will be delivered complete to the Buyer within the one year period.
- 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 the Seller will repair or replace such goods which are returned to us with shipping charges prepaid and which are determined to be defective. This warranty will not apply to any product that has been subjected to misuse, negligence, accident, misapplication, modification or repair by unauthorized persons, or has been improperly installed for its intended use.
- 7. INSPECTION:** Quotations do not include 100% inspection by Seller unless specially stated. The Buyer shall inspect the product promptly after receipt and shall notify Seller in writing of any claims, including claims of breach of warranty, within 30 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 stated time period shall be deemed to be a waiver of such claim.
- 8. DISCLAIMER:** THE PROVISIONS OF PARAGRAPH 6 ARE SELLERS 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 MISAPPLICATION OR MODIFICATION; OR REPAIR BY UNAUTHORIZED PERSONS; OR IMPROPER INSTALLATION.
- 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 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 the 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 the 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 the Buyer, the goods shall be manufactured to commercial tolerances; viz, for decimal dimensions: +/- .002 for diameters and +/- .010 for lengths, and for fractional dimensions: +/- .005 for diameters and +/- .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 relationship that one dimension bears to another and that concentricity must be specified separately from dimensional sizes. If a concentricity limit is specified, it shall mean the actual eccentricity allowable between two dimensions and that the actual eccentricity is on-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 concentric value.
- 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 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 1/16".
 - (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 standard taps furnished by recognized 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 quoted unless specifically stated. If tolerances required are closer than commercial standards as described in paragraph 12 or when dimensions cannot be readily gauged with micrometers, Buyer shall either furnish manufacturing gauges or shall pay an extra charge for the Seller to supply gauges.
- 15. DIES, TOOLS, ETC.:** All dies and tooling for which Buyers pays charges shall remain Seller's property and shall be held by the 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 rate and Seller cannot guarantee to furnish more than 90% of the total 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 assignees, against all liabilities and expenses resulting from any claim or 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 then Seller reserves the rights to withdraw a quotation and to cancel any contract without liability to Seller.
- 18. COLLATERAL PROMISES:** There are no representations, warranties or conditions (expressed or implied) statutory or otherwise except those herein contained and no agreements or waivers, collateral hereto, shall be binding on either party unless expressly written and signed by the Buyer and formally accepted and signed by the Seller.
- 19. MODIFICATIONS:** Prices are subject to adjustment if Buyer requests changes in specifications, quantities or delivery requirements. All paragraphs of a quotation shall 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 the Seller and expressly stating both that such terms are being modified and the express nature of the modification.
- 20. CANCELLATION:** Buyer may cancel this order, in whole or in part, upon both written notice to the Seller and payment of cancellation charges, which 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 this 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 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 the State of 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.
- 24. PROCEDURE UPON IMPRACTICALITY:** 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 non-confidential and shall be received free from all restrictions except restrictions provided under the patent laws.

