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TERMS AND CONDITIONS OF SALE

1. **ACCEPTANCE.** Acceptance of this order is not intended as an offer to sell and no contract shall arise until the Seller shall have acknowledged and accepted in writing, at its home office, a written purchase order from the Purchaser for the material and on the terms quoted herein. The Seller hereby objects to any different or additional terms provided by the Purchaser the terms of which are additional to or different from any of the provisions hereof than the issuance of this order acceptance by the Seller shall constitute the entire agreement between the Purchaser and the Seller with respect to the subject matter hereof and the subject matter of such offer, and the Purchaser shall be deemed to have so assented unless the Purchaser notifies the Seller to the contrary within ten (10) days of receipt of this order acceptance, unless Purchaser shall have specified shipment in less than ten (10) days. This order acceptance is subject to change without notice and shall be considered to have expired sixty (60) days after the date indicated on the face hereof. Unless the Seller has specified a different period, either more or less, within Purchaser may give written notice of change.

2. **PRICES.** Unless otherwise agreed, prices quoted by the Seller are firm only for uninterrupted runs in the quantities specified. Prices quoted herein are based on current costs of material and labor, and if any increase in such costs occurs at any time before shipment, the Seller may increase prices to adjust for such increases in costs. All quoted prices will be increased by the amount of any applicable testing and inspection fees, sales, excise, manufacturer's use, occupation, license, delivery, import or excise duty and any other tax or duty levied by any municipal, state, federal or other governmental authority. All quoted prices will be increased by any amount necessitated by the Seller's compliance with any governmental action, if such adjustments are not mutually satisfactory, either party may cancel on the terms set forth in Section 8 hereof. Minimum amount for a stock order shall be \$50.00, while a minimum manufactured order shall be \$75.00. Orders less than the minimum shall be assessed a special charge to bring the total of the order to the minimum requirements. Exceptions are limited to replacement orders as set forth in Section 10 in regard to returns or claims.

3. **PAYMENT.** The Purchaser shall make payments in United States funds net thirty (30) days after the date of invoice, f.o.b. the Seller's facility in Wellington, Ohio, unless otherwise agreed by the parties. Preparation charges, when invoiced separately, shall be payable upon completion of tools and dies. Overdue payments shall bear interest at one percent per month after due date. If the Purchaser fails to fulfill the terms of payment, the Seller may defer further shipments, or may at the Seller's option cancel the unshipped balance. The Seller reserves the right, prior to making any shipments to require from the Purchaser satisfactory security for performance of the Purchaser's obligation.

4. **TITLES AND REMEDIES.** Until full payment of all obligations of the Purchaser hereunder, the Seller reserves the title to any security interest in all forgings furnished hereunder and all tools used in the maintenance thereof, all of which whether or not attached to realty, shall be considered to be personal property. The Purchaser agrees to execute at any time upon the Seller's request such documents and additional schedules to carry into full force and effect this agreement including without limitation, financing statements, security agreements and other documents required by the Uniform Commercial Code.

If the Purchaser defaults in any payment or performance hereunder or becomes subject to insolvency, receivership or bankruptcy proceedings or makes an assignment for the benefit of creditors or, without the Seller's consent, voluntarily or involuntarily sells, transfers, leases or permits any lien or attachments on the forgings delivered hereunder, or if the forgings are misused or substantially damaged, the Seller may treat all amounts then or thereafter that the Purchaser hereunder owes to be immediately due and payable (subject only to credits required by law) and the Seller may repossess said forgings by any means available at law. In any proceeding or actions relating to a default by the Purchaser, the Seller shall be reimbursed (if permitted by law) for attorney's fees and costs by the Seller in respect thereof.

5. PREPARATION CHARGES, TOOLS AND DIES. The Purchaser shall pay all preparation charges required for the initial production of the forgings. The payment of such charges does not convey to the Purchaser any title or right of possession. At all times, the Seller shall have exclusive title and right of possession to all tools and dies. The Purchaser's payment of preparation charges conveys to the Purchaser only the right to the exclusive use of any special tools required for the production of the forgings and to the preservation of such tools by the Seller for no more than two (2) years after the date of completion of the most recent order requiring their use. The Seller accepts no responsibility for the continued existence or availability of such tools and dies after such a period of inaction. This clause will not be invalidated by the absence of written notification of the expiration date. Any storage or preservation of such tools beyond such two (2) year period shall be only upon mutual agreement between Seller and Purchaser at rates Seller customarily charges for such services. Worn-out tools that in the Seller's opinion will require maintenance beyond that normally provided or those that produce excessive scrap shall be replaced by the Purchaser. Preparation charges are made only for the initial quantity and for the rate of delivery specified for a particular design. The Seller assumes the expense of upkeep, the charge for any change in design, for additional quantities, or for a different rate of delivery which will be quoted by the Seller upon request.

6. DELIVERY. Unless otherwise agreed by the parties, delivery will be f.o.b. the Seller's facility in Wellington, Ohio, all shipping charges collect. The Purchaser assumes all responsibility for risk of loss of, or damage to, any goods furnished hereunder upon delivery f.o.b. the Seller's Wellington facility.

Delivery dates are approximate, subject to change upon notice from the Seller and are predicated on conditions existing on the date appearing on the face of this order acceptance. The Seller's obligation with respect to deliveries is subject to delays caused by any act of God, flood, weather, war, riot, fire, accident, explosion, labor difficulty or shortage, act of any governmental body or agency, delay or default by any subcontractor or supplier of materials or services inability to secure sufficient goods, fuel, supplies, or power at current prices, transportation difficulty or any cause beyond the Seller's reasonable control. Delay in delivery by the Seller for any installment shall not relieve the Purchaser of its obligation to accept remaining installment deliveries.

Claims for shortages of other errors in delivery must be made in writing to the Seller within ten (10) days after shipment, and failure to give such written notice shall constitute unqualified acceptance and a waiver of all such claims by the Purchaser. Merchandise may be returned only as provided in Section 10.

In the event of the Seller's inability for any reason to supply the total demands for the forgings to be furnished to the Purchaser, the Seller may allocate its available supply among any or all of its customers or buyers on such basis as the Seller may deem fair and practical without any liability for any failure of performance that may result there from.

If shipping is delayed or interrupted by the Purchaser, directly or indirectly, the Purchaser shall pay the Seller all additional charges resulting there from. Moreover, if the forgings are not shipped within five (5) days after notification has been made to the Purchaser that the forgings are ready for shipping, the Seller may store the forgings at the Purchaser's risk in a warehouse or upon the Seller's premises, and the Purchaser shall pay all handling, transportation and storage costs at the prevailing commercial rates upon submission of invoices thereof. Materials upon which work has been delayed by the Purchaser shall be held for not more than ten (10) days.

The Seller reserves the right to run any and all of its operation in advance of the actual delivery requirements of any order at such time as best suits the Seller's manufacturing convenience.

7. QUANTITY AND QUALITY TOLERANCES. Quantities shipped within the limits of over-run and under-run will be deemed by the parties hereto to meet quantity requirements, in accordance with "Tolerances for Impression Die Forgings" latest edition, as issued by the Forging Industry Association. Quality of goods shipped shall be as set forth in paragraph 10 hereof. Notwithstanding anything to the contrary stated herein, Seller shall have no liability whatsoever and specifically disclaims responsibility for work performed and/or materials furnished by any third party contractor or subcontractor of Seller or Purchaser in connection with the goods shipped.

8. CANCELLATION. Orders will not be subject to cancellation or modification, either in whole or in part, without the Seller's written consent, and then only on terms that will reimburse the Seller for all costs incurred by it, including, but not limited to preparations costs, costs of purchased materials, tools, and dies, engineering and design costs, labor costs, plus an amount equal to Seller's customary profit margin; provided that in no event shall the cancellation charge be less than ten percent (10%) of the contract price. In the event an order is delayed (but not cancelled) by the Purchaser, Seller shall charge Purchaser and Purchaser shall pay Seller for all costs incurred by Seller including but not limited to preparations costs, costs of purchased materials ordered from suppliers in connection with the order, engineering and design costs, labor costs and tools and dies and Purchaser shall remit payment within terms.

9. PATENT INFRINGEMENT. No liability will be assumed by the Seller for the infringement of any patent rights asserted because of the nature, structure of use of any products ordered by the Purchaser, and the Purchaser shall indemnify and hold the Seller harmless against any loss, cost, liability or expense resulting from any infringement of claimed infringement of patents or trademarks in connection with the Seller's performance of any order. Upon request by the Seller, the Purchaser will undertake at the Purchaser's expense to defend any patent or trademark infringement action that may be brought against the Seller.

10. WARRANTY, LIMITS OF WARRANTY, RETURNS, CLAIMS. The Seller warrants to the original Purchaser the merchandise will be made in substantial conformity with samples or drawings furnished Seller by the Purchaser, subject to applicable dimensional tolerances as specified on the face of the original acknowledgment copy of the subject purchase order as sent by the Seller to the Purchaser. Merchandise will be guaranteed only against defects in materials (other than defects within specifications required) or in workmanship. The Seller's obligation hereunder is expressly limited to the repair or replacement of non-conforming or damaged forgings f.o.b. the Seller's Wellington, Ohio plant facility, without cost to the Purchaser, or the repayment of the purchase price, or so much of the purchase price as Purchaser has paid whichever is the lesser, upon return, pursuant to the terms of this Section 10, of such non-conforming or damaged forging.

THE SELLER SHALL NOT BE LIABLE FOR ANTICIPATED PROFITS FOR DAMAGES ON ACCOUNT OF NEGLIGENCE, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR ANY BREACH OF THIS WARRANTY, AND/OR FOR ANY MACHINING OR OTHER COSTS INCURRED BY THE PURCHASER WITH RESPECT TO WORK PERFORMED ON THE MERCHANDISE. The Seller's liability on any claim of any kind connected with or resulting from this agreement or from performance of breach thereof, or from the design, manufacture, sale, delivery, resale, inspection, repair, operation or use of any forgings furnished hereunder shall in no case exceed the price allocable to the forgings giving rise to the claim and shall terminate six (6) months after the shipment of the forgings. The Seller shall not be liable for penalties of any description. The Purchaser agrees to indemnify the Seller against all claims arising out of or resulting from the installation, operation or use of the forgings.

EXCEPT AS SET FORTH HEREIN, IT IS EXPRESSLY AGREED THAT (a) THERE IS NOT WARRANTY OR MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE NOR OTHER WARRANTY, EXPRESS, IMPLIED, OR STATUTORY, NOR ANY PROMISE OR AFFIRMATION OF FACT BY THE SELLER WITH RESPECT TO ANY MERCHANDISE FURNISHED HEREUNDER THAT EXTENDS BEYOND THE TERMS MUTUALLY AGREED UPON BY THE SELLER AND THE PURCHASER AND (b) THAT THE PURCHASER ACKNOWLEDGES THAT IT IS PURCHASING THE MERCHANDISE SOLELY ON THE BASIS OF THE COMMITMENTS OF THE SELLER EXPRESSLY SET FORTH HEREIN. NO PERSON IS AUTHORIZED TO CHANGE OR ADD TO ANY OF THE SELLER'S OBLIGATIONS UNDER THIS WARRANTY.

The Purchaser shall not return merchandise unless so authorized in writing by a sales representative of the Seller. The Purchaser will notify the Seller in writing of any forging that does not conform to this warranty within thirty (30) days after the delivery of the forging, and if the Purchaser fails to give such notification, the Purchaser shall waive any and all claims for breach of warranty. Merchandise may be returned at the expense of the Seller only after the Seller has inspected the forging and provided the Purchaser with a Return Goods Authorization Form and specific return shipping instructions. ALL MERCHANDISE RETURNED IS SUBJECT TO A 25% RESTOCKING CHARGE. The Purchaser may not return merchandise that is discontinued, obsolete, or has been manufactured specifically to purchaser's specifications, i.e. "specials", or altered or defaced in any way, or upon which any additional operations have been performed.

The Purchaser and the Seller agree that the Seller makes no representations as to, and the Purchaser has sole responsibility for, compliance with the regulations and standards issued under the Occupational Safety and Health Act of 1970 or any other safety or health statute regulation or ordinance that may be applicable to the forgings covered hereby.

11. INDEMNIFICATION INSURANCE. Purchaser shall indemnify, defend and save harmless Seller from and against all claims for loss or damage of any kind or for injury to any person or property (and any expenses, including attorneys fees, resulting there from) arising out of, or in any way related to, the condition, use, repair, installation or design of the goods purchased hereunder, whether such claims are based on the negligence, breach of warranty or strict tort liability of Seller or otherwise and whether any such goods are in the same mode as when delivered hereunder or whether they have been used in the manufacture of, or become part of, equipment, machinery or goods sold by Purchaser, its subsidiaries constituent companies or agents to third parties. Purchaser agrees to and will assume on behalf of Seller upon its demand (without regard to the real or apparent merits of said actions), the defense of any action which may be brought against property damage per incident. Purchaser shall cause notice of material change or cancellation of said insurance to be given to Seller at least ten (10) days before the effective

date of such change or cancellation. All certificates of insurance furnished pursuant to this Section 11 must contain an agreement to provide such notice by the agent issuing the certificate.

12. GOVERNMENT REGULATIONS. This Seller will comply with all federal, state and local laws, regulation, orders and decrees applicable to any purchase order given pursuant to this order acceptance. This order acceptance is based also upon compliance with the Fair Labor Standards Act of 1938 as amended. The Seller recognizes the necessity for giving access to its books of account to authorized government agents in connection with the sale of forgings and also recognizes in connection with quotations on supply contracts not to be required.

13. ARBITRATION OF CLAIMS. Any contract made pursuant to this order acceptance is made in and is to be construed under the laws of the State of Ohio. Any controversy or claim arising out of or relating to any purchase order given, or contract made, pursuant to this quotation this is not settled by mutual agreement between the Seller and the Purchaser shall be submitted to arbitration in Cleveland, Ohio and settled in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

14. STORAGE, PACKING, SPECIAL SERVICES. This order acceptance does not contemplate that the Seller will perform storage, packing or cartage service. Testing, other than Certification of Compliance with the specifications of the order as acknowledged by the Seller, will bear additional charges. Tests requiring destruction of merchandise will include charges for the service plus any parts destroyed in performing the test specified. Where chargeable testing is ordered, the charge is applicable at the rate per line item and for each heat code.

15. DEFERRED DELIVERIES. Deferred deliveries are subject to the Seller's approval. Unless the Seller otherwise agrees in writing, deliveries shall be delayed at the request of the Purchaser only if the Purchaser states good and sufficient cause and only on the following terms:

(A) If no release has been given by the Purchaser of the end of thirty (30) days from receipt of such request the Seller reserves the right to render invoice and make shipment of the cancelled portion of the order to the destination specified in the Purchaser's order and also to submit to the Purchaser an invoice for the approximate value of all raw material purchased and delivered to the Seller in anticipation of production.

(B) If no release has been given by the Purchaser at the expiration of ninety (90) days from receipt of such request the Seller reserves the right to declare the order cancelled on the terms set forth in Section 8 hereof.

16. WAIVERS, ALTERATIONS, AND MODIFICATIONS. No waiver, alterations or modification of the terms and conditions of this order acceptance shall be binding on the Seller unless in writing and signed by the Seller's authorized representative.

17. Seller shall charge, and Purchaser shall pay Seller interest at the highest rate allowed by law up to one and one-half percent (1½%) per month on any balance of account not paid within terms. Seller's standard terms are net 30 days from date of invoice. In applying any payments on account, the Seller shall credit interest owed first and the balance to principal of the oldest unpaid invoice on the Purchaser's Account. Purchaser agrees to adjust Purchaser's records accordingly.

18. MISCELLANEOUS. Notice given to the Seller or the Purchaser shall be given to the appropriate address set forth on the face hereof. Any action resulting from any breach on the part of the Seller as to the merchandise delivered hereunder must be commenced within one (1) year after the cause of action has occurred. Waiver by the Seller of a breach by the Purchaser of any provision of this agreement shall not be deemed a waiver of future compliance therewith and such provision as well as all other provisions hereunder shall remain in full force and effect. Each provision of this contract is serviceable and, in the event that any one or more thereof may be declared invalid, the remainder of this agreement shall nevertheless remain in full force and effect. Without the Seller's prior written consent, the Purchaser shall not assign or delegate its obligations or performance hereunder. This order acceptance constitutes the complete and exclusive agreement between the parties with respect to the subject matter hereof, and may be modified only by written instrument executed by the authorized representatives of both parties. Headings, as used in this document shall be taken as a convenient guide to location of information. However, the Purchaser shall have read these Terms and Conditions in their entirety and be governed by all provisions wherever located herein.