

CONDITIONS OF SALE

1. ACCEPTANCE

- a) Acceptance of Buyer's purchase order is based on Buyer accepting over-runs or under-runs not exceeding ten percent of the quantity ordered, unless otherwise agreed by the parties hereto.
- b) All sales contracts become effective when the Buyer's purchase order is approved and accepted in writing by Seller's Home Office.
- c) Unless Buyer notifies Seller of any exception to the acknowledgment immediately after it's receipt by Buyer, the order as acknowledged shall constitute the entire agreement between Buyer and Seller, notwithstanding any terms and conditions that appear in Buyer's purchase order.

2. REPRESENTATION - WARRANTIES

- a) Seller warrants that the goods sold hereunder (i) shall be free from defects in workmanship or material and (ii) shall conform to the specifications set forth in Buyer's purchase order as accepted by Seller.
Seller's liability for breach of warranty shall be limited to, at its option (i) repairing or replacing goods that are proven to be defective or proven to be at variance with such specifications or (ii) refunding the sales price received by Seller in respect of such defective or non-conforming goods, provided, however, (1) that written notice of such defect or variation is given to the Seller within thirty (30) days of delivery of such defective or non-conforming goods and (2) where goods are replaced by Seller or where Seller refunds the sales price received from Buyer, Buyer shall return the defective or non-conforming goods to Seller.
- b) Seller warrants that goods delivered hereunder will have been produced under all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of the regulations and orders of the United States Department of Labor issued under section 14 thereof.
- c) Seller warrants to Buyer that the sale or use of such products will not infringe on the claims of any U.S. Patent covering the product itself, and agrees to indemnify Buyer against liability for any such infringement. Seller does not warrant against infringement by reason of the use of such product by Buyer in combination with other materials or in the operation of any process.
- d) Recommendations by Seller, if any, covering the use, utilization, properties and/or qualities of goods sold hereunder are believed reliable but Seller makes no warranty whatever with respect thereto. Use or application of goods sold hereunder is at the discretion of the Buyer without any liability or obligation on the part of Seller except as expressly warranted by Seller.
- e) These warranties are in lieu of any and all other warranties, express or implied, arising by law or custom, including, but not by way of limitation, the implied WARRANTY OF MERCHANTABILITY and the implied WARRANTY OF FITNESS FOR PARTICULAR PURPOSE.

3. PRICE

- a) Seller reserves the right (i) to revise any price quoted without notice to Buyer, at any time prior to acceptance of Buyer's purchase order by Seller, and (ii) to revise any precious metal prices quoted without notice to buyer in accordance with metal market prices ruling on the day metal is shipped or credited to Buyer's account by Seller, unless other pricing arrangements are indicated on the face of this form.
- b) Seller's prices do not include sales, use, excise, or similar taxes, and accordingly, in addition to the price specified herein, the amount of any sales, use, excise, or other similar applicable tax to the sale of goods hereunder shall be paid by Buyer, or, in lieu thereof, Buyer shall provide Seller with a tax exemption certificate from the appropriate taxing authority.

4. DAMAGES

- a) Any delays in or a failure of performance by Seller shall not constitute default, or give rise to any claims for damages if and to the extent caused by circumstances beyond Seller's control, such as, but not limited to, acts of God, acts, rules or regulations of governmental authority; strikes or other concerted acts or workmen; fires, floods, explosions, riots, war, rebellion, or sabotage.
- b) In no event shall Seller be liable for incidental and/or consequential damages incurred by Buyer by reason of the breach of Seller of any obligation incurred by Seller hereunder.

5. SHIPMENTS

- a) Shipment dates are based on upon Seller's best judgment, are subject to factory schedules and production limitations, and hence are not guaranteed.
- b) The goods will be shipped as indicated herein. When goods are shipped F.O.B. Seller's plant, Buyer is responsible for notifying the carrier as to any damages to or loss in transit of such goods.
- c) Claims for shortages, etc. shall not be accepted by Seller unless they are made by Buyer in writing within forty-eight hours after delivery of the goods, and are accompanied by a reference to Seller's shipping slip number.
- d) In addition to any other legal remedy, if Buyer fails to fulfill the terms of payment, Seller may defer further shipments of goods or may at its option, cancel the unshipped balance of such goods.
- e) Seller reserves the right prior to making any shipment of goods to request from Buyer satisfactory security for performance of Buyer's obligations hereunder.

6. CHANGES, CANCELLATIONS

- a) Specifications changes made subsequent to placing an order are subject to price revisions and to any adjustments necessary to cover material procured and processed and labor expended prior to receipt of revised specifications.
- b) Cancellations shall be by mutual Agreement in writing, based on any adjustment necessary to cover labor expended and material procured.

7. PRECIOUS METALS

Some shipments of precious metals cannot be made via truck or rail. In such cases and unless otherwise instructed by Buyer, precious metals ordered by Buyer will be shipped via Express or Parcel Post.

8. GENERAL

- a) Goods are sold to accepted manufacturing variations or tolerances, except when otherwise agreed to by both parties.
- b) Unless otherwise ordered, all goods will be furnished in random lengths. Exact lengths will be furnished only when so specified on order.
- c) When furnished or made by the Seller, tools and/or dies, together with incidental fixtures and materials necessary for the manufacture of goods ordered, shall remain the property of the Seller, be used in the production of goods for the Buyer, and be kept in repair by the Seller without further charge for the reasonable life expectancy of the tool or dies. Payment to cover the cost of such tools and or dies is due from the Buyer on a net cash basis upon submission of samples. In the event that Buyer does not reorder goods produced by such tools and/or dies for a period of two years, Seller shall have right to scrap such tools and/or dies without notice to Buyer.