



ACKNOWLEDGEMENT TERMS AND CONDITIONS

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All orders are accepted subject to the following conditions unless otherwise agreed to by both parties in writing.

1. AGREEMENT AND LIMITATIONS

Unless otherwise agreed upon by the parties in writing, the only mode of acceptance of Buyer's purchase order shall be through the written acknowledgement of the Seller, effective upon mailing. This writing shall constitute the entire agreement between the parties, and it shall be for the benefit of said parties only and not for the benefit of any other person. Any provisions contained in the Buyer's order which are in any way inconsistent with, add to or differ from the terms and conditions herein shall not be binding upon the Seller. The rights and duties of the Buyer and the Seller shall be governed by the laws of the State of Missouri. Actions for damages resulting from breach of contract or otherwise must be commenced within the applicable statute of limitations of either five years or ten years, depending on the breach.

2. PRICES

The prices contained herein are based on a continuous production of castings in the minimum quantities stated. A surcharge will be imposed where less than the minimum quantities stated is involved. Deliveries scheduled beyond six months from the date of the Buyer's order shall be invoiced at the prices in effect upon the date of each delivery.

3. TAXES

In addition to the prices quoted, the Buyer shall pay or reimburse the Seller for any tax or other governmental charge imposed upon the sale, production, delivery, or use of any of the items ordered to the extent required by law to be paid by the Seller unless valid exemption certificates are in the possession of the Seller before the date of its invoice.

4. CREDIT TERMS

Payment is due 30 days from date of invoice. Invoices delinquent beyond said 30 day period will carry interest at the rate of 1 1/2 percent per month of the entire unpaid balance. Seller may, at its option, require full or partial payment in advance or require the Buyer to provide Seller with reasonable credit security. If

the Buyer's financial conditions, including but not limited to insolvency and bankruptcy, prevent the Buyer from performing their obligations under this contract, the Seller may cancel any order then outstanding and receive reimbursement for reasonable cancellation charges including for amounts due under the contract, and to include any expense associated with any cause of action which results in damages being assessed, for court costs and reasonable attorneys' fees.

5. TERMINATION OR MODIFICATION

An order once placed and acknowledged by Seller may be delayed, terminated, or otherwise modified only with the Seller's written consent. The Buyer shall pay or indemnify Seller for all production and other costs incurred up to the date Seller accepts such delay, termination, or modification.

6. DEDUCTIONS

No deductions of any nature will be honored unless a credit memorandum covering the same has been previously issued by the Seller's Accounting Department or otherwise authorized in writing.

7. DELIVERY

The items ordered shall be delivered F.O.B. the Seller's foundry. Identification of goods to the contract shall take place and risk of loss shall pass to the Buyer upon delivery to a carrier. All shipments are insured at Buyer's expense.

8. PRODUCTION AND SCHEDULING

Shipping dates are estimated and are based upon the Seller being promptly furnished with all information, including shipping instructions, necessary to enable it to proceed with processing the Buyer's order. If no instructions are given, the method and route of shipment are at Seller's discretion. In the event there is a delay in production, shipment or delivery for any reason caused by circumstances beyond the Seller's control, the dates for delivery will be extended for a period equal to the time lost by reason of such delay. The Seller shall not be liable for any damages incurred by the Buyer as a result of a delay in or failure of delivery caused by circumstances that are not entirely within Seller's control. In no event shall the Seller be liable for special, real, liquidated, or consequential damages.

9. QUANTITY

Buyer will accept and pay for over-runs or under-runs on any specific item up to an amount equal to 10 percent of the quantity ordered.

10. SAMPLES

Samples from new dies may be submitted to the Buyer for approval before proceeding with production. When the Buyer has submitted conflicting models and prints, the prints shall be followed. Castings made in accordance with approved samples will be considered as complying with Buyer's specifications. The Buyer may not reject or revoke the acceptance of production quantities which are processed at its request prior to sample approval.

11. CASTINGS

Subject to commercial variations incident to the investment casting process, castings will not be machined, tested, or heat treated unless otherwise agreed to by the parties in writing.

The Seller may perform cosmetic welding on Buyer's casting unless otherwise advised by the Buyer in writing.

12. DIES-MOLDS-FIXTURES

Dies, molds, and fixtures which are exclusively used in processing the Buyer's order shall be paid for by the Buyer and remain its property while in the Seller's possession and control. In such event it becomes necessary for the Buyer to remove any such items, the same shall be forwarded to the Buyer at its expense upon payment to the Seller of engineering charges in an amount not less than 25 percent of the cost of the item removed. Insurance on dies, molds, and fixtures is the responsibility of the Buyer.

All of the Buyer's dies, molds, and fixtures in the Seller's possession and control shall be maintained by the Seller in good operating condition. In the event normal wear or design changes require reconditioning or replacement of such dies, molds, and fixtures, the cost thereof shall be paid by the Buyer. In the event substantially larger quantities or higher monthly production rates are required, additional tooling will be necessary and be paid for by the Buyer.

Upon 30 days written notice, the Seller may destroy any die, mold, or fixture which has not been used for a period of five consecutive years. In no event shall the Seller be liable to the Buyer for such destruction.

13. GAUGES

Any special gauges or tools necessary for the inspection of any castings (other than standard inspection tools) must be supplied by the Buyer or constructed or purchased by the Seller at the Buyer's expense.

14. ENGINEERING AND DESIGN

All changes in engineering or design shall be accepted by the Seller pursuant to the provisions of Paragraph 5. The Seller will not be responsible for conforming to any drawing change which is not also noted on the drawing as an engineering change.

15. EXCLUSIVE WARRANTY AND REMEDIES

The Seller warrants to the original Buyer only, that its castings have been made according to the specifications submitted by the Purchaser and that the castings will be free from defects due to poor workmanship and defective materials under normal use. The Seller's obligation under this warranty is strictly limited to either the repair, replacement, or allowance of credit for defective castings, as the Seller may choose in its absolute discretion, provided that:

- a. the Seller is notified in writing of the defect within 30 days from the date of shipment;
- b. the Seller be permitted to inspect the castings before the Buyer alters them by heat treating, machining, welding, or in any other manner
- c. the defects are not the result of the Buyer's misuse, neglect, improper installation, repair, etc.; and
- d. the Buyer prepays the transportation charges for this parts returned to the Seller.

Acceptance of the returned goods by the Seller's receiving personnel will not be binding unless acceptance is made by the Seller in writing. The maximum claims for damages for breach of warranty, including labor, further processing costs, and service failures may not exceed the original purchase price of the defective castings. The warranty extends only to persons who are not "consumers" as defined in .15 U.S.C. 2301. The term "original buyer" as used in this warranty shall mean the person to whom the product or parts are originally sold. IN NO EVENT SHALL SELLER BE LIABLE FOR, AND THE BUYER HEREBY ACCEPTS, ALL RISKS AND LIABILITY FOR CONSEQUENTIAL AND SPECIAL DAMAGES FOR OTHER EXPENSES, WHICH MAY ARISE IN CONNECTION WITH SUCH PRODUCT OR PARTS.

16. PUBLICITY

Unless otherwise agreed, the Seller reserved the right to have its trademark appear on each casting and use the casting for display or advertising purposes.

17. PATENTS

Buyer shall hold Seller harmless and indemnify Seller for any expense or loss resulting from infringement of patents or trademarks arising from compliance

with Buyer's designs, samples, drawings, and/or specifications not or hereafter forming a part of this contract.

18. WAIVER

Both Seller and Buyer hereto agree that failure of either party to insist on any one or more instances upon strict performance of any one of the terms of the provisions of this Agreement to exercise any option to make any election herein contained or provided for shall not be construed as a waiver of relinquishment of the future of any such term, provision, option or election and the same shall continue if full force and effect. No modification or waiver of any of the terms of this Agreement shall be valid unless in writing and executed with the same formality as this Agreement. Waiver by the seller for any portion of this agreement shall be misconstrued as a waiver of any remaining terms and conditions of this agreement.

19. SEVERABILITY

Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and wherever there is a conflict between any provision of this Agreement and any present or future statute, law, government regulation or ordinance contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event, the provisions of this Agreement affected shall be curtailed and restricted only to the extent necessary to bring them within legal requirements. If any provision of this Agreement is deemed unlawful, the remainder of the Agreement shall remain in full force and effect.

20. ARBITRATION

Any controversy or claim arising out of or relating to this acknowledgement or any breach thereof, shall be settled in accordance with the Rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof.

THE ABOVE WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON SELLER'S PART, AND SELLER NEITHER ASSUMES, NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT, ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF SELLER'S PRODUCT OR PARTS. SELLER MAKES NO WARRANTY WHATSOEVER IN RESPECT TO ACCESSORIES OR PARTS NOT SUPPLIED BY IT. THIS WARRANTY SHALL APPLY ONLY WITHIN THE BOUNDARIES OF THE CONTINENTAL UNITED STATES.