

Cast Products, Inc.

Terms and Conditions

1. **AGREEMENT.** This proposal is open for acceptance within thirty days only, and is subject to change at any time before orders are accepted by us. This quotation is based upon current material prices and labor costs. We reserve the right to change prices quoted in accordance with the changes in the prices of material and the cost of labor on date of delivery. This proposal and our acceptance of your order, signed by an officer, will not be binding upon us unless accepted by an officer of our company in writing upon terms that will indemnify us against all loss. When your orders contain printed or stamped provisions inconsistent with the written, printed or stamped provisions of our proposal, our proposal shall prevail. Clerical errors are subject to correction. Prices are subject to any city, county, state or Federal Taxes, which are or may become effective and are based on continuous operation of the dies in the quantities specified. If quantities are reduced or productions held up or interrupted by you. Castings or finished products will be subject to extra charge for the loss involved. Re-orders for castings or finished products previously made are considered as placed under the same terms and conditions as the original contract, except for such price changes as may be necessary, when such orders are not placed pursuant to a formal proposal and acceptance. Quotations are open for acceptance thirty (30) days from issuance. After 30 days prices and terms are subject to change without notice unless otherwise specified. In the event of customer's cancellation of order, customer shall reimburse us for work completed and work in process and for tooling and engineering expenses incurred in connection in such order and any lost profit.

2. **SAMPLES.** Upon completion of the dies, sample parts will be submitted for approval. It is understood that the parts made in accordance with such samples as approved, are to be considered as made in compliance with specification and acceptable to you. All changes made in original specifications, after dies are started, are subject to charge for the cost of extra tool work so involved.

3. **DELIVERIES.** Deliveries of samples and products are contingent upon strikes, fires, floods, wars, accidents, delays of carriers or other causes beyond our control. As we cannot predetermine rejections by our inspection or spoilage, we have the right to manufacture and ship and you will accept, ten percent over or under the number of parts ordered by you. We assume no liability for any loss or damage to merchandise or material while in transit to or from our factory, whether in trucks or vehicles owned by us, the customer or any third person acting in our or the customer's behalf.

4. **ALLOY, FINISH, MACHINING.** Castings will be furnished from the material specified in this proposal, and will be furnished with a smooth and natural finish, as they come from the dies, overflows and gates being removed by us. Unless otherwise specified, finishing operation such as trimming, machining, drilling, tapping, reaming, assembling, etc., or polishing, buffing, electro-plating, enameling, painting. etc., are not included.

5. PACKING. Unless otherwise specified cast parts will be bulk packed in amounts and size of container deemed practical by us. If you require a special carton or packing or if such packing or carton becomes necessary, the cost of such cartons or packing will be charged to you.

6. DEFECTIVE MATERIAL. We agree to replace or issue credit for, at our option, all defective parts which have not been altered, machined or finished by customer, providing claim is made in writing within 30 days after receipt of parts. We will not be held responsible, nor will claim be allowed for the cost of labor or charges of any kind incurred outside our shop including transportation costs or other losses resulting from such parts. In order to assert a claim against us, customer must provide representative defective samples of material or merchandise processed by us for our inspection. No claim shall be allowed until such inspection is performed by us. We do not have technical knowledge relating to the end product of the many industries we serve, therefore, we specifically deny any liability for any damages other than those specified herein. We are not responsible for the failure of a die casting in a customer's product if the part furnished to the customer meets the prescribed specification. We make no warranties or representations, express or implied as to workmanship, performance, quality durability, fitness for purpose or merchantability for any of the articles we process. This disclaimer is for all liability including, among other, liability for consequential, incidental and special damages. The only warranties applying to such articles are those which are written and are specifically provided by us. **THE WARRANTY EXPRESSED IN THIS PARAGRAPH 6 IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OR MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.**

7. DIES AND TOOLS. Dies, tools and fixtures will be held by us at your risk. Dies, tools and fixtures built by us will be kept in working condition for production by us during the normal life of same. (The customer shall maintain in workable condition die, tools or fixtures built or furnished by him). They shall, however, be subject to any existing Federal or Trade Codes and to lien in our favor all sums due for the cost of making or preparation and any all other claims which may have at any time against you, all of which sums and claims shall be paid and discharged before we shall be required to deliver such dies, tools and fixtures. When, tools or dies built by us are paid for, they become the property by customer, but dies, tools fixtures not used for three years or more may be scrapped without notice. The customer shall be responsible to furnish any special gages (non-standard) needed in the inspection process. Such gages and gaging methods must be agreed upon in writing in advance by us and our customer. Ownership of dies, tools and fixtures will be governed by the Dies and Molds Ownership Transfer Act 765 ILCS 1053/1.

8. PATENTS. If parts produced in your behalf infringe or are claimed to infringe letters of patent or copyright, under which claims are made against us, you assume full responsibility for everything done by us on such parts and agree to indemnify us and hold us free of any and all losses including expenditures made or incurred for judgments settlements, attorneys fees, litigation, negotiation, and any and all losses and

disbursements directly or indirectly resulting there from.

9. PAYMENTS. Customer hereby agrees that we have a lien on any mold, tool, inserts, components, materials and merchandise in our possession for the amount of the unpaid account, whether or not due or payable. After an account has been delinquent for three (3) months, we reserve the right and customer consent that we may sell said customers mold and tools and parts made there from, and the customer will reimburse us against any loss or damage resulting from infringement of patent or trademark as a result thereof. A service charge in the amount of lesser of 1-1/2% per month (18% per annum) or the maximum allowed by law will be added to all invoices that are thirty (30) days past due as of the tenth of the following month.

10. MISCELLANEOUS. To the extent otherwise not provided above. Section 8-Commercial Practices of the North American Die Casting Association Products Specification and Standards shall control.

11. LIMITATIONS OF LIABILITY. Force Majeure: Failure of any of the provisions of Purchase Orders or other Agreements by reason of capacity limitations, acts of governmental authority, strikes, labor stoppage or slowdown, shortage of energy, inability to obtain materials, embargo or blockade, war, acts of God, or any other cause, natural or otherwise, beyond either party's reasonable control shall not constitute an event of default or breach. If products are unavailable due to any of the foregoing, we shall not be compelled to honor previously accepted orders, but shall attempt to distribute available products among all customers in a fair and equitable manner.

12. ALLOWANCE/SURCHARGE. We reserve the right to apply allowances/surcharges to quoted prices to cover variances due to changes in our costs related to metal, components, energy and/or other items not directly within our control. Allowances will be applied to invoices at the time of billing unless other arrangements are made.

13. PROMOTION. Unless otherwise agreed, we reserve the right to use photos, sketches and other representations of customer products and tooling for the purposes of marketing and advertising.