
CONDITIONS OF SALE

1. Contract and Governing law:

Any quotation made is subject to these Conditions of Sale. Any change requested, including, but not limited to payment terms will result in the quotation being void unless the Seller agrees to such change. For any order placed by the Buyer as a result of a quotation, provided that the terms and conditions of the quotation and the order Acknowledgment (the "Acknowledgment") shall override and supersede any inconsistent provisions in Buyer's Purchase Order. Seller's acceptance is conditioned on Buyer's assent to the provisions of the Acknowledgment as the entire contract between the Buyer and Seller with respect to the subject matter hereof. Such assent shall be deemed given unless Buyer shall expressly notify Seller to the contrary within five days after receipt of Seller's Acknowledgment. No modification or other conditions, course of dealing or trade usage will be recognized by Seller unless specifically agreed to by Seller in writing, and failure of Seller to object to provisions contained in Buyer's Purchase Order or other communication from Buyer shall not be construed as a waiver of the provisions of the Acknowledgment or as an acceptance of Buyer's provisions. For any orders placed by Buyer without specific terms and conditions, Buyer shall accept these Conditions of Sale. The resulting contract shall be governed and construed according to the laws of Pennsylvania except as may be modified herein.

2. Payment:

Unless otherwise specified, terms are net cash without discount 30 days after date of invoice. Invoices will be submitted as partial shipments are made. Until full payment of all obligations of Buyer hereunder, Seller reserves a purchase money security interest in all products supplied hereunder. All unpaid balances are subject to interest charges in the amount of 1.5% (18% per annum). Buyer agrees to pay reasonable attorney fees incurred by Seller for collection of past due invoices and account balances. Progress payments may be required on large orders. Orders over \$50,000 will require progress payments.

3. Shipment:

(a) All shipments will be DDU, freight prepaid, unless otherwise specified. The DDP designation clearly defines that the Buyer is responsible for unloading the product at the destination (b) Time for shipment is approximate and is based upon prompt receipt from Buyer of all necessary information, materials, pattern equipment and approvals of drawings. Seller shall not be liable to Buyer for any loss, damage or delay due to any cause beyond Seller's reasonable control, including, without limitation, labor troubles, fire, governmental act, regulation or request, delay in transportation or, inability to obtain labor, fuel, power, materials, components, or manufacturing facilities. In the event of any such delay, the date of shipment shall be extended for a period equal to the time lost because of the delay. (c) Seller may withhold shipment of any goods or services described hereunder to the extent necessary to protect Seller from loss if Seller has reasonable doubt that Buyer will discharge its payment obligations in regard to said products or services and/or Buyer has not furnished to Seller assurances satisfactory to Seller of Buyer's intention and capacity to make all payments due hereunder in a timely manner.

4. Pattern Equipment:

Unless otherwise specified, any pattern equipment produced or purchased for this order shall remain the property of Seller. Any charges made to Buyer represent charges for services performed to develop, acquire, mount and/or to repair patterns, but do not represent a transfer of title to such patterns or services to the Buyer. If the Seller agrees in writing to transfer title to any patterns to the Buyer, Seller may assess Buyer for the sale at such patterns or services. If the Buyer supplies pattern equipment to the Seller for use by the Seller, the pattern equipment shall be suitable for Seller's production facilities and foundry practices and shall be appropriately identified by Buyer as property of Buyer and furnished by Buyer, F.O.B. Seller's works. For Seller's use in checking patterns supplied by Buyer, Buyer shall furnish working drawings and specific information regarding permissible variations between castings and drawings. Shipping and crating charges on pattern equipment to and from Seller's works shall be Buyer's obligation. For any patterns supplied by Buyer or for any patterns specifically purchased by Buyer, Seller reserves the right upon thirty (30) days notice to Buyer, to assess reasonable storage charges for all of Buyer's patterns stored on Seller's premises for which no orders have been received by Seller during a period of three (3) years, or, in the alternate, to notify Buyer for advise as to whether subject patterns shall be returned or destroyed. Should Buyer fail to pay reasonable storage charges or advise Seller of returning pattern to Buyer, Buyer agrees that the Seller may consider the pattern outdated and Seller shall have the right to dispose of such pattern as Seller sees fit. Buyer agrees to assume the risk of loss for any patterns stored at Seller's premise.

5. Indemnification:

Buyer will indemnify, defend, and hold Seller harmless from and against any and all claims, causes of action, liability, damages, losses, expenses, and cost including attorneys' fees. (collectively, the 'Indemnification Obligation') incurred by Seller in the performance of work for Buyer, including, without limitation, as the result of theft, loss, damage or destruction of Buyer's patterns or equipment while said patterns or equipment are in the custody and control of Seller, whether such indemnification Obligation is caused by or results, in whole or in part, from the negligence or other conduct of Seller, its employees, agents, of servants, it being the intent of this provision to absolve and protect Seller from any and all responsibility for such Indemnification Obligation. Buyer shall maintain all forms of Insurance that Buyer deems necessary to adequately cover the aforementioned patterns and equipment.

6. Warranty:

With respect to the products supplied or the machining or other services performed by Seller on materials supplied by or purchased for Buyer hereunder, Seller expressly warrants to Buyer for the warranty period specified herein (a) such products or services will comply with the description set forth herein, normal wear and tear excepted, and (b) such products or services will be free from detrimental defects in workmanship and materials. If a defect appears within twelve (12) months from the date of shipment by Seller or twelve (12) months from date of installation, whichever comes first, that such products or services do not meet these express warranties and Buyer gives Seller prompt and reasonable notice thereof. Seller shall, at its option, either (i) repair or replace on a prorated basis, F.O.B. works, but not dismantle or reinstall the defective products, or (ii) furnish additional services to correct defects in the products or services, provided that upon Seller's request, such products or other materials are shipped freight prepaid to Seller's works. The warranties described herein shall not apply if the products

or the materials on which services were performed by Seller have been subjected to other than normal and proper installation, use, operation, and maintenance or to unauthorized repairs or alterations. The warranties described herein also shall not apply to any components of products supplied by and/or to any work done on products done by third parties and/or subcontractors, provided that, to the extent possible. Seller shall pass on to Buyer all warranties offered to Seller by said third parties. If the Buyer subjects Seller's products to more stringent quality requirements and/or additional inspections than are mutually agreed to by the parties on the face of the Quotation and Order Acceptance, then the Buyer shall have no warranty claim against Seller for defective products under this Paragraph 6 and the Buyer shall not be entitled to reject the products prior to acceptance or revoke the acceptance of the products. **EXCEPT FOR THE FOREGOING WARRANTIES. SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE). THE FOREGOING WARRANTIES OF SELLER SHALL CONSTITUTE THE SOLE REMEDY OF BUYER AND THE SOLE LIABILITY OF SELLER, WHETHER ON WARRANTY, CONTRACT OR NEGLIGENCE.**

7. Consequential Damages:

Notwithstanding acts of gross negligence or willful misconduct by the Seller, its employees, or its agents, in no event shall Seller be liable to Buyer on a claim of any kind for any interruption of operations, loss of anticipated profits, or for any other special, incidental, contingent, or consequential damage of any kind.

8. Taxes:

All federal state and local sales, use, gross receipts, gross income or other taxes (with the exception only of taxes on net income, corporate franchise or capital stock and taxes or contributions measured by wages and salaries of Seller's employees under Social Security laws), import duty and taxes now or hereafter enacted, shall be for Buyer's account and shall be paid by Buyer either to Seller or to the relevant public authorities, as the case may be. Seller shall be obligated to forego the collection of any such taxes only in the event that Buyer presents Seller with proper exemption certificates.

9. Patents:

As to products made by Seller in accordance with its own specifications, Seller, at its expense, shall defend any suit or proceeding against Buyer so far as based on a claim that the products constitute an infringement of any now existing United States patent, it notified promptly in writing and given authority, information and assistance by Buyer. In the event of a final award of costs and damages based on such a claim, Seller shall pay such award. In the event the use of such products by Buyer is enjoined, Seller, at its sole option and expense, either shall (a) procure for Buyer the right to continue using such products, (b) modify such products to render them non-infringing, (c) replace such products with non-infringing products, or (d) remove such products and refund the purchase price. Seller shall not be responsible for any compromise or settlement made without its written consent. The foregoing states the entire liability of Seller for patent infringement and in no event shall Seller be liable for a claim based on the method of use of a product or the particular products produced thereby or for any damages assessed on the basis of product produced. As to any products made in accordance with the specifications furnished by Buyer to Seller, Buyer shall indemnify Seller in the manner described above against any claim for patent, trademark, or copyright infringement or products liability arising out of compliance with such specifications.

10. Safety and Health:

The goods and/or services described herein (or on the specifications provided with Buyer's Purchase Order shall comply with applicable safety and health standards issued pursuant to the Occupational Safety and Health Act of 1970 (the 'Act') which are in effect on the date the order for such goods and/or services is accepted by Seller, as such standards are interpreted and understood by Seller. These standards may be amended and/or their meaning may be clarified prior to shipment or performance, and, if such change or clarification requires changes in the goods and/or services described herein, Seller shall make the necessary changes available to Buyer, Buyer shall pay Seller for any and all such changes at Seller's prices thereof in effect at the time of shipment or performance, as the case may be. Because actual compliance by employers with the Act is beyond the control of Seller, Seller cannot and does not represent that the use of the goods described herein, nor the location, installation, or maintenance thereof, will comply with the Act or regulations and standards issued pursuant thereto. Seller makes no representation of compliance with safety and health standards contained in any statute, regulation or ordinance of any state or political sub-division thereof applicable to the goods and/or services described herein unless Buyer has notified Seller of the existence and contents of such standards, and Seller has agreed in writing to the incorporation of such standards in the specifications relating to such goods and/or services. Nothing in this paragraph shall operate to modify or affect any manner whatsoever Seller's disclaimer of any liability for any consequential damages contained elsewhere in these terms and conditions of sale.

11. Modification, Rescission and Cancellation:

A. By Buyer; No modification or rescission of Buyer's order accepted by Seller shall be binding unless reduced to writing and signed by an authorized representative of Seller. A waiver by Seller of this requirement with respect to any modification of any term shall not operate to preclude Seller from asserting his provision with respect to any other term. No order for Buyer may be cancelled or terminated by Buyer except upon payment of reasonable charges for the work performed as of the date of cancellation or termination.

B. By Seller; Seller may terminate Buyer's order in the event that (i) Buyer fails to provide specifications, drawings, materials, or other items required to be supplied by Buyer, and Seller, because of such failure, will not be able to comply with Buyer's requirements for shipment times and/or (ii) Seller has reasonable doubt that Buyer will discharge its payment obligations to Seller and Buyer has not furnished to Seller assurances satisfactory to Seller of Buyer's intention and capacity to make all payments due hereunder in a timely fashion. No termination of Buyer's order by Seller shall relieve Buyer of its obligation to pay Seller's reasonable charges for work performed as of the date of Seller's termination.

12. Contingency Action:

Any issues that develop in the processing of Customer orders or the product/service provided, that may affect compliance to the agreed requirements, are documented and immediately communicated to the Customer to determine the appropriate actions for resolution.

13. General:

All typographical or clerical errors are subject to correction. This contract is for the benefit of the parties hereto and not for any other person. Buyer may not delegate its performance or assign its rights without Seller's prior written consent.

14. Laws, Ordinances and Regulations:

Seller represents that it has no reason to believe that the product(s) supplied to Buyer will not comply with applicable federal laws and with state and local laws, ordinances, and regulations of which Buyer gives Seller written notice in Buyer's specifications. Seller agrees to cooperate with Buyer to ascertain that each such product conforms with applicable safety requirements or regulations in effect at time of completion, including consideration of appropriate administrative controls, and/or with any special laws, rules or regulations not included in Buyer's specifications of which Buyer gives Seller specific written notice provided that extra costs attributable to deviations from specifications and additional work shall cause an appropriate adjustment to be made in purchase price. The products will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

15. Subcontracting:

Seller may subcontract any part of Buyer's order for products or services.

16. Independent Contractor Relationship:

Buyer hereby acknowledges that all work performed by Seller for Buyer hereunder shall be as an independent contractor.

17. Confidentiality:

Specifications, drawings, samples or other data furnished by either party hereto to the other party and/or any other proprietary and confidential information of one party gained by the other party as a result of the sale described herein shall be treated as confidential by the party obtaining such information and shall not be disclosed or used without the prior written consent of the party which is the owner of such confidential information.

18. Drawings:

All work performed by Seller for Buyer is to be based on final drawings agreed to by Buyer and Seller, not on any of Seller's preliminary proposal drawings which are approximate and were submitted only to show general style and arrangement and approximate dimensions of the products being sold by Seller to Buyer.