

## PRECISION DIE & STAMPING, INCORPORATED - STANDARD TERMS AND CONDITIONS OF SALE AND WARRANTY

The sale of goods covered by any quote from Precision Die & Stamping Incorporated shall be subject to the terms & conditions appearing on the Sellers Acknowledgment or Counteroffer which are set out below.

**1. GENERAL TERMS & CONDITIONS APPLICABLE TO SALE.** If any of the terms & conditions of this acknowledgment are different from or in addition to the terms & conditions of the Buyer's purchase order this acknowledgment or "COUNTEROFFER" shall not be effective as an acceptance of Buyer's order unless Buyer agrees to all of the terms & conditions contained herein which shall be the complete and exclusive statement of the terms of the agreement between Buyer and Seller. Failure of the Buyer to object in writing within 10 days of the date of receipt hereof or the beginning of the production of the goods sold, whichever first occurs shall constitute agreement to all of the terms & conditions hereof which shall be binding in every case. No representative of the Seller is authorized to vary the terms & conditions nor shall any modification or waiver be effective unless done in writing signed by an officer of the Seller subsequent to the date hereof.

**2. CREDIT APPROVAL & PAYMENT.** Seller may alter or suspend credit, or change credit terms provided herein, when in its sole opinion the financial condition of Buyer so warrants. In such case, in addition to any other remedies or by law provided, cash payment or satisfactory security from Buyer may be required by the Seller before shipment. If such assurances are requested by Seller & not provided by Buyer, Seller may stop work and withhold all subsequent deliveries & the portion of the selling price representing hours & material in process at such time shall be due & payable. Failure to pay an invoice at maturity shall make all other invoices from Seller to the Buyer immediately due & payable. Seller may retain possession of all property of Buyer in its possession until full payment is settled. Acceptance of less than full payment by the Seller shall not be construed to be a waiver of any of its rights.

**3. PAYMENT.** All prices quoted to Buyer are F.O.B. factory, unless otherwise expressly specified by Seller. Payment shall be made in United States Dollars at Tempe, Arizona, U.S.A.

**4. TAXES.** Buyer shall pay, or reimburse Seller if it pays, any & all federal, State, municipal or other local taxes or charges imposed upon this contract or the goods covered hereby or the delivered or use thereof or upon any act done, or document of title or other instrument used in connection with the transaction.

**5. INTEREST.** Buyer shall pay interest on all past due amounts at the rate of Twelve percent (12%) per annum from the date such amounts become due until paid in full.

**6. WARRANTIES & DISCLAIMERS.** All goods sold hereunder are warranted by Seller to be free from defects in material & workmanship for a period of 60 days after the date of delivery of the goods to Buyer. **THIS WARRANTY IS IN LIEU OF & EXCLUDES ALL OTHER WARRANTIES WHETHER EXPRESSED OR IMPLIED. SELLER MAKES NO OTHER WARRANTY WHETHER EXPRESSED OR IMPLIED OTHER THAN THE ABOVE EXPRESSED WARRANTY.**

The performance of any of our products at the Buyers plant depends upon many factors beyond Seller's control. **SELLER THUS MAKES NO WARRANTY CONCERNING THE PERFORMANCE RESULTS OR PERFORMANCE CHARACTERISTICS OF THE ITEMS SOLD. NO STATEMENT BY ANY SALESMAN, REPRESENTATIVE, OR LITERATURE OF SELLER SHALL BE CONSTRUED TO INCLUDE SUCH A WARRANTY UNLESS IT IS INCLUDED IN WRITING ON THE FACE OF THE QUOTATION.**

**7. LIMITATION OF LIABILITY & REMEDIES.** Goods sold hereunder which prove to be defective in materials & workmanship within the warranty period provided in Section 6 hereof may be returned to the Seller, after receipt of shipping instructions from the Seller. Goods so returned shall be repaired or replaced without charge. **BUYER'S ONLY REMEDY & SELLER'S ONLY OBLIGATION SHALL BE THE REPLACEMENT OR REPAIR OF SUCH NON CONFORMING GOODS, OR THE REFUND OF THE PRICE FOR SUCH GOODS AT SELLER'S OPTION, UPON RETURN OF THE GOODS. SELLER WILL NOT BE LIABLE FOR CONSEQUENTIAL INCIDENTAL OR ANY OTHER DAMAGES WHATSOEVER FROM ITS FAILURE TO SUPPLY CONFORMING GOODS OR FOR ANY OTHER REASON.** Every claim of defective material or workmanship or any other cause shall be deemed waived by Buyer unless made in writing within 60 days after receipt of the goods.

**8. TOOLING CHARGES.** The stamping industry considers tooling, their engineering & design an integral part of the manufacturing process of stamping. Therefore payment of initial charges for tooling supplied by the Seller does not convey the right of removal from the Seller. The right of ownership & removal may be obtained by the Buyer by negotiation & agreement between the Seller & Buyer for a fair reimbursement for the true cost of the tooling, design development, experimental work, maintenance, & storage. This negotiated cost may vary from 0% to 100% over initial tooling charge because we as a metal stamper share tooling costs with our customers on over 75% of the tooling we manufacture to produce metal stampings. If Seller cannot reach a fair negotiated price for the Buyer to remove tooling manufactured by Seller from Seller's possession, Seller retains the right to purchase this tooling from the Buyer at the full original purchase price. Our tooling designs are proprietary with many innovative and patented ideas used. These designs are not part of the tooling cost. Patented ideas used in our tooling may be subject to license agreements and fees if the tools are recalled or moved for use by our customers or by a stamping competitor. Seller agrees to keep tooling in a normal & reasonable state of good condition as long as it remains in the Seller's control. Seller accepts no responsibility for the operation of the tools when used in any plant other than the Seller's or after they have been removed from Sellers control.

**9. TOOLING WARRANTY.** Seller agrees to keep tooling in good condition by maintenance, tool replacement or whatever is required to produce stamping per Buyer's drawings for the life of the part number the tooling was quoted to produce. If Changes Page 3 of 4 are made to the original part number, tooling update charges will be quoted as a separate item, if this tooling can be revised to produce the latest revision changes. **THIS NORMAL TOOL MAINTENANCE OR REPLACEMENT WILL BE NO CHARGE TO THE BUYER, UNLESS EXCEPTION IS TAKEN ON THE FACE OF THIS QUOTATION.**

**10. NON-RECURRING ENGINEERING CHARGE.** Any quotation identified as a (N.R.E.C.) will be a onetime charge for Engineering, Tooling, & Set-up for any tooling fabricated to produce the parts, & will remain the property of the Seller. note All drawing, tooling, & set-up material will be disposed of if the Seller does not receive an order to produce the parts for a (3) year period. The Seller will keep the Buyer's tooling for the parts active beyond a (3) year period from the last order upon request of the Buyer in writing. There could be a charge if no orders are generated within (1) year & a \$250.00 storage fee assessed.

**11. BUYER FURNISHED TOOLING.** If stampings are quoted to be produced from Buyer furnished tooling; Seller will use its best effort to produce consistent production results with the tooling equipment or materials furnished by the Buyer. Seller's quoted price will include normal maintenance. Major repairs or tool replacement will be quoted as a separate item. Seller will notify the Buyer of these charges.

**12. COMPLETION DATES & DAMAGE WAIVER.** Seller will use its best efforts to complete production of scheduled manufacturing on the specified dates. Seller shall not be liable for any damages should design, production, testing or delivery be delayed or prevented because of fire, flood, strikes, labor disputes, accidents, breakdowns of machinery, delay in transportation, or any other cause beyond its reasonable control or because of events occurring hereafter not anticipated by the Seller which made its performance hereunder substantially more burdensome than anticipated. Partial deliveries may be made at Sellers discretion.

**13. RISK OF LOSS.** Risk of loss shall pass to Buyer upon delivery of the goods to the carrier, or directly to the Buyer. Breach of this contract shall have no effect upon this paragraph and Section 2-510 of the Uniform Commercial Code shall have no force or effect.

**14. BUYERS DESIGN.** Seller will not be responsible for dimensional accuracy or performance when goods are manufactured to Buyers design, prints, specifications or other requirements imposed by it.

**15. PRINTS.** The Seller shall have the right to destroy without liability all prints submitted for quotation, special tools, & designs used in the manufacture of the goods unless written notice is given by Buyer to return these items within one year of the date of Seller's acknowledgment.

**16. PATENTS.** If the goods are manufactured to Buyer's specifications, Buyer shall indemnify Seller against all claims or liability for patent or trademark infringement arising out of the manufacture of the goods.

**17. APPLICABLE LAW.** All questions arising in connections with this transaction shall be resolved in accordance with the Laws of the State of Arizona.

**18. CANCELLATION CHARGES.** The Buyer may cancel existing order, provided written notice is given to the Seller & Buyer agrees to **PAY TO THE SELLER A CANCELLATION CHARGE, WHICH IS REQUIRED TO COVER SELLER'S COST FOR MATERIALS & TIME CHARGED AGAINST THE ORDER THRU THE DATE OF CANCELLATION, & WHICH IS REQUIRED TO DEFRAY SELLERS ADMINISTRATIVE COST IN CONNECTION WITH CANCELLATION OF THE ORDER.**

**19. INJURY LIABILITY.** The Seller is not responsible for any injuries or damages resulting from the use of Seller's products.

**20. ATTORNEY'S FEES.** In the event of any controversy, claim, or dispute between the parties arising out of or relating to this contract, Seller shall be entitled to recover from Buyer its reasonable cost & expenses of enforcement & collection, including but not limited to reasonable attorney's fees.

**21. SELLER'S DAMAGES.** It is understood that the goods sold hereunder are manufactured specially by Seller for Buyer. Seller shall, therefore have the right to recover the full price quoted hereunder if Buyer wrongfully rejects or revokes acceptance of the goods, fails to make payment when due, repudiates or in any way breaches this contract. Upon recovery of the price, the goods shall become the property of the Buyer.