

TERMS AND CONDITIONS OF QUOTATION AND SALE
HARBOR CASTINGS, INC.

ORDERS: An order against this quotation constitutes your acceptance of these terms and conditions, and is subject to our acceptance by acknowledgment or by performance. All specifications must accompany the order in writing; proposed changes must also be in writing, and are subject to our acceptance. If you request a change which we decline to accept, and as a result you cancel all or part of your order, you must reimburse us for our incurred costs. Parts will be made to the soundness and surface standards of MIL-STD-2175A for Class 3, Grade C castings, unless you specify otherwise.

TOOLING: You hold title to all dies, jigs, fixtures, and inspection devices, hereinafter referred to as "tooling," for which we explicitly charge you and receive payment in full. We retain custody of the tooling and restrict its use for your purposes exclusively. We maintain and repair the tooling, but if normal wear and tear render a tool unusable, you may have to pay to upgrade it, or purchase another one. We are not responsible for loss or damage to tooling due to circumstances beyond our control, so you should carry insurance for the desired protection. In the event you discontinue your relationship with us, voluntarily or involuntarily, and there is a balance owing on your account, we have the right to retain possession of your tooling until the account is settled to our satisfaction; and, after not less than ten days' prior notice to you, to sell the tooling at public or private sale and to apply the proceeds first to the costs of the sale, and then to the balance of your account. If you request return of your tooling, we may require you to pay for packing, shipping, and unrecovered costs in advance.

SAMPLES: We will not begin a production run of parts from new or modified tooling until you grant or waive approval of sample parts made from such tooling. You agree that parts made in conformance with the approved samples meet your specifications. If our payment terms for tooling are contingent upon sample approval, and samples are neither approved nor disapproved by you within thirty days of their shipment, payment for the tooling is due as if the samples were approved at the end of the thirty-day period.

PRODUCTION AND SHIPMENTS: We may delay production against your order and/or withhold shipments if your account is in arrears.

LIMITED WARRANTY: We warrant, for a period of thirty days after your receipt of parts from us, that they meet the specifications of your order, and are free from defects in material, workmanship, and title. THIS IS THE ONLY WARRANTY THAT APPLIES TO ANY PARTS YOU RECEIVE FROM US. ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

CLAIMS: If you receive parts from us which you believe do not meet your specifications, we must receive a written claim within thirty days of your receipt of the parts; otherwise we have no liability to repair or replace them. As a condition of our accepting a claim, we may require you to return all or samples of the allegedly defective parts to us. We pay shipping charges for returned and replacement parts that we find are defective. REPLACEMENT OF THE PARTS WE AGREE ARE DEFECTIVE, OR ALLOWANCE OF A CREDIT FOR THE PRICE OF EACH SUCH DEFECTIVE PART, CONSTITUTES YOUR SOLE REMEDY AND OUR SOLE LIABILITY; WE ARE NOT LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY, EXPRESS OR IMPLIED, APPLICABLE TO THE PARTS OR THEIR DELIVERY.

TAXES: You must pay any federal, state, or local taxes associated with an order, contract, or transaction resulting from this quotation.

WAIVERS: If we waive a breach by you of any of these terms and conditions, that does not constitute a waiver of any other breach, and you may not construe it as such; nor does a failure by us to exercise any of our rights arising from a default by you constitute a waiver of our ability to exercise such rights at a later time, and you may not construe it as such.

MODIFICATIONS: Any changes to these terms and conditions must be in writing, authorized by an officer of Harbor Castings. You may not assign an order accepted by us to another party without our agreement.

GOVERNING LAW: These terms and conditions and any order, contract, or transaction resulting from this quotation are governed by, and construed in accordance with, the laws of the State of Ohio.