



WILLIAMS-BAYER INDUSTRIES INC.

MMBDC Certified
TS-16949 Certified

**Standard terms and conditions of sale
between
Williams-Bayer Industries Inc.
("WBI" or "Seller") and buyer**

1. Conditional Acceptance: Williams-Bayer's ("WBI") acknowledgment and acceptance of buyer's order is conditioned upon these terms and conditions of sale constituting the sole and exclusive terms and conditions of this order. No amplification, modification or variation of these terms and conditions of sale will be accepted by WBI unless expressly agreed to in writing signed by WBI.

2. TERMS OF PAYMENT: Unless otherwise provided by written agreement executed by both parties, Net Cash thirty (30) days after date of invoice. Invoices will be dated the day of shipment. The date of payment of an invoice is the date on which the check therefore is actually put into the mail as indicated by the postmark unless the check carries a later date, in which case the date on the check is the date of payment. Any checks, drafts or money orders received from or for the account of Buyer shall be accepted on the account with full reservation of rights to collect any balance, notwithstanding any contrary legend on or accompanying the check, draft or money order. Buyer shall have no right to offset or set off any amounts—payment must be made in full.

3. INTEREST CHARGES: On accounts not paid within applicable terms, interest will be charged at the lesser of the maximum rate allowed by applicable law or 2% over the prime lending rate from time to time in effect at PNC Bank. Such interest will be charged beginning on the first date applicable law permits and will be invoiced monthly.

4. TRANSPORTATION: Delivered prices or prices involving competitive transportation adjustments shall be subject to appropriate adjustment to reflect changes in transportation charges including but not limited to fuel surcharges.

5. CHANGES IN TERMS: Terms of payment, interest and transportation are subject to changes to WBI's terms in effect on date of shipment. Prices will be WBI's prices in effect on date of shipment.

6. CREDIT AND PAYMENT: This sale is at all times subject to approval of the WBI Credit, and in case of doubt as to Buyer's financial ability to pay, WBI may at any time by written notice to Buyer require immediate payment or other terms of payment differing from those specified above or other satisfactory security that invoices will be paid when due. If Buyer fails to comply with any terms of payment or requirements to secure payment of this or any other order or contract with WBI, WBI may stop current and withhold further shipments or send such shipments sight draft with bill of lading attached, or WBI may treat the contract as terminated by Buyer under the provisions of paragraph 13 hereof without prejudice to any other rights and remedies available to WBI under applicable law. In the event of default by Buyer in payment, Buyer shall be liable for WBI's cost of collection, including reasonable attorney's fees.

7. TOLERANCES: Unless otherwise expressly provided, products furnished by WBI are to be within WBI's size, gauge, temper and finish limits of manufacture and subject to WBI's standard tolerances for variations, including those in quantity.

8. TAXES: Unless otherwise expressly provided by law, WBI may require Buyer to pay or to reimburse WBI for any tax (except income tax) which now or hereafter may be imposed by any taxing authority in respect of the products or the sale, purchase, manufacture, delivery or use thereof.

9. INSPECTION CHARGES: Where Buyer requires tests or inspection not regularly provided by WBI, WBI may charge Buyer for the actual cost of such tests or inspection.



10. WARRANTY: WBI warrants that products sold hereunder shall be free from defects in materials and workmanship, except such defects as are commercially acceptable, and shall conform to specifications accepted by WBI. WBI shall not be liable for any incidental or consequential damages for breach of warranty, whether express or implied, including without limitation any expense for the use, handling or sale of defective products. WBI's sole liability and Buyer's exclusive remedy for breach of any warranty is expressly limited, at WBI's option, to the repair of defective products or the replacement thereof at the original F.O.B. point or the repayment of the purchase price. Any claim for breach of warranty is waived unless Buyer shall give WBI written notice of such claim promptly after delivery of products and in no event later than ten (10) days after delivery and shall give WBI reasonable opportunity to investigate such claim and inspect the products. Replacement of defective products or repayment of the purchase price shall be made only upon return thereof after inspection by WBI and Buyer's compliance with written shipping instructions from WBI. The giving or failure to give any advice or recommendation by WBI shall not constitute any warranty by nor impose any liability upon WBI. THE FOREGOING WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES OF PRODUCTS, FITNESS THEREOF FOR ANY PARTICULAR PURPOSE OR WARRANTIES OF MERCHANTABILITY.

11. LIMITATION OF LIABILITY: WBI's total liability for any claims, damages of any nature, losses, liabilities or costs or corrective efforts including, but not limited to, the warranty arising out of or related to performance of this Agreement shall not exceed the Contract Price. WBI shall not have a liability for special, indirect, incidental, or consequential damages of any character; including but not limited to lost profits, property damage whether suffered by Buyer or any third party.

12. PATENT PROTECTION: WBI agrees to indemnify Buyer against any claims or liabilities for or by reason of alleged infringement of any United States patent arising from the manufacture or sale of any product furnished Buyer hereunder, except where the specifications, process, design or method of manufacture of such product originated in Buyer in which event Buyer agrees to indemnify WBI in like manner.

13. FITTING-UP CHARGES AND TOOLING: Any fitting-up charges named are to cover the cost of the necessary tools, fixtures and equipment, including but not limited to jigs, dies, molds, patterns, taps, gauges and testing equipment required for the performance of the order (collectively "tooling"). All tooling shall be the sole property of WBI and remain in WBI's possession for use exclusively in filling orders of Buyer. Unless otherwise specified, there will be no additional charge for upkeep or replacement of such tools, and fixtures. If, at any time, (a) a period of two (2) years has elapsed since the receipt of any order of Buyer requiring the use of such tooling, (b) a petition in bankruptcy is filed by or against Buyer, (c) Buyer makes assignment for the benefit of creditors, becomes insolvent, is dissolved or liquidated or otherwise ceases to conduct business, or (d) Buyer is in default in its payments of amounts due under this agreement, WBI may free use or dispose of such tooling without responsibility to Buyer. Terms on tooling - Net Cash. As a condition to advance purchase of tooling on behalf of Buyer, Buyer shall execute and deliver to WBI, a financing statement with respect to such items.

14. TERMINATION: This order or contract may be terminated by Buyer before completion thereof only after obtaining WBI's written consent, in which event, Buyer shall pay to Seller:

(a) Contract price which shall be delivered or completed, including all released or forecasted requirements that may have raw material dedicated to the product prior to receipt of notice of termination;

(b) All actual costs incurred by WBI in connection with the uncompleted portion of the order or contract. Such costs shall include overhead and costs of materials and tooling, in process or purchased for processing, for the order or contract, which materials shall belong to Buyer; and or capital equipment

(c) Cancellation charges, if any, of WBI on account of its commitments made under the order or



contract.

15. DELAYS: WBI shall not be liable for any failure or delay in performance or delivery which is caused in whole or in part by fires, floods, accidents, riots, war whether declared or not, operation of law, Government regulations or requirement, strikes or other labor difficulties, shortage of fuel, power, materials or supplies, delays in or lack of transportation or any similar or dissimilar causes beyond WBI's control. WBI shall not be liable in any event for any incidental or consequential damages in respect of failure or delay in performance or delivery due to any cause whatsoever. If WBI is unable, due to any cause beyond its control, to supply the total demand for products ordered by Buyer, WBI may allocate its available supply in any manner it deems reasonable among its customers, including branches and affiliates and their customers.

16. EXCUSABLE FAILURE OR DELAY: Neither WBI nor Buyer shall be held responsible for the failure or delay in delivery or acceptance of materials or goods sold hereunder where such failure or delay is due to any Act of God, or the public enemy, war, compliance with law, governmental act or regulation, fire, flood, quarantine, embargo, epidemic, unusually severe weather, strike, work stoppage, acts or omissions of carriers or other cause beyond the control of the party, but the party seeking to justify failure or delay shall promptly notify the other party of the reasons for any failure or delay in the delivery or acceptance.

17. CHOICE OF LAW: Any contract resulting from this Order shall be governed by the laws of the State of Michigan without regard to its contract of law principles. The parties agree and consent to the exclusive jurisdiction of the Wayne County Circuit Court for Wayne County Michigan or the U.S. District Court for the Eastern District of Michigan, as applicable, provided, however, that WBI may elect to bring an action against Buyer in any court having jurisdiction over Buyer.

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