TERMS AND CONDITIONS

Should Schaffer Grinding company, Inc. be awarded an order resulting from this quotation, the following will be an irrevocable part of said order.

1. Performance by us is contingent upon strikes, accidents, government regulations and requirements, and other delays unavoidable or beyond our control.

2. Prices are based on the quality, quantity and type of material or equipment specified. Changes in specifications or deliveries will be subject to change in price.

3. Orders accepted by us cannot be canceled except in writing and upon terms that will indemnify us against all loss.

4. Customer supplied material.

4A) The customer is responsible for all additional incurred expenses that result from said material that is received at our plant with dimensions or specifications other than those agreed to at the time of original quotations. 4B) The customer is responsible for any delay and/or penalties resulting from delays in regard to the delivery dates where the material had inconsistencies before mentioned.

5. Schaffer Grinding Company, Inc. assumes no responsibility for the suitability of the materials specified by the customer unless expressly consented to in writing by its authorized representative.

6. Terms of payment are as indicated on the face of the quotation and a service charge of up to 2% of invoice price per month may be added if payment is not made in accordance with such terms.

7. All items shipped by us must be inspected upon arrival and any claims must be made within 20 days. No goods may be returned except by arrangement with us. Unless written authority is given, Schaffer Grinding Company, Inc. assumes no responsibility for work done by others or for expenses incurred by others in connections with repair or replacement of work described in this quotation. The performance of any unauthorized repair will be regarded as customer acceptance of the work described herein.

8. This quotation is based upon an initial set up and an uninterrupted supply of customer furnished material to Schaffer Grinding Company, Inc. during the course of the order. Should the supply of material be interrupted, Schaffer Grinding Company, Inc. reserves the right to invoice the customer for any additional set up charges which may be incurred due to such interruptions.

9. Should Schaffer Grinding Company, Inc. be issued a purchase order for the services or goods described on the face of this quotation which includes terms or conditions which are inconsistent with or in addition to the terms hereof, any such inconsistent terms or conditions shall not be applicable unless expressly consented to in writing by an authorized representative of Schaffer Grinding Company, Inc. Schaffer Grinding Company, Inc. may commence performance on the basis that such inconsistent or additional terms are not applicable to the purchase order unless the purchase order, on its face, is

specifically made contingent upon Schaffer Grinding Company, Inc. accepting the same before commencing performance.

10. This quotation does not include the right to any proprietary information of Schaffer Grinding Company, Inc. or the right of access to the production facilities of Schaffer Grinding Company, Inc., except by prior written arrangements.

11. All tools furnished by us in connection with the work quoted herein shall remain the property of Schaffer Grinding Company, Inc. All charges quoted for tooling are for the temporary use of the tooling and, unless otherwise specified on the quotation, do not constitute a sale of the tooling or give the customer any rights therein or thereto.

12. Schaffer Grinding Company, Inc. is well known for high-quality workmanship and extra care is always taken. However, as in any shop, we are subject to human errors, and unforeseen events. Therefore, we cannot be liable to pay for material replacement or previous machining if a spoilage should occur. Of course, no charge will be made on a part that we might spoil. This is standard practice in the industry for our type of service.

13. Schaffer Grinding Company, Inc. shall have no responsibility or liability as to the suitability of the item quoted for its intended end use as we do not perform any engineering or design service; our work is limited to following customer specifications and drawings. The customer shall hold Schaffer Grinding Company, Inc. harmless and indemnify it against all claims of every kind and nature. Including costs of defense, growing out of the use of the items on which Schaffer Grinding Company, Inc. has performed work. It will be the responsibility of the customer to inspect all work performed by us upon receipt and before further use. The use or further processing by customer of any item received from us will be conclusively presumed to be a complete acceptance of our work.

14. In no event shall Schaffer Grinding Company, Inc. be held responsible for consequential damages.

15. Stenographic and clerical errors and omissions are subject to corrections.

16. This quotation is an offer by Schaffer Grinding Company, Inc. and shall become a binding contract on the terms set forth herein when accepted in writing or upon receipt of customer furnished material for the work described herein.