



DOMENY TOOL & STAMPING COMPANY

TERMS AND CONDITIONS OF SALE

All sales, delivery of, or quote for, parts, tooling, and/or equipment, is in accordance with the specifications set forth below and is governed by the following conditions:

SECURED PARTY

"Seller", as used in the Agreement, is intended to mean "Secured Party", and "Buyer", as used in this Agreement, is intended also to mean "Debtor", as defined in the Uniform Commercial Code.

CONTRACT

No contract exists until a purchase order is placed by Buyer, which is accepted by Seller and confirmed in writing with an acknowledgment of acceptance of the purchase order by Seller. Confirmation in writing via email is acceptable. Written acknowledgment of acceptance creates a binding contract between Buyer and Seller that shall be deemed executed in the State of Illinois, in the County of Lake. This contract includes the Terms and Conditions of Sale set forth herein, whether or not the same are incorporated by reference or otherwise and regardless of any provisions contained in any other document relating to the sale. If these Terms and Conditions of Sale do not appear on or are in conflict with Buyer's purchase order, the Seller's Terms and Conditions of Sale will govern and control. Buyer's acceptance of these Terms and Conditions of Sale shall be conclusively presumed from Buyer's failure to state expressly his or her objections in writing at the time Buyer transmits his or her purchase order, or sends a deposit to Seller. This contract shall be construed according to the laws of the State of Illinois. If any subsequent changes are made in methods or designs, the Seller reserves the right to revise prices and delivery if necessary.

CREDIT AND TERMS OF PAYMENT

Terms of payment shall be in accordance with the printed or typed terms on the tooling quotation or production quotation provided by Seller.

In general, accounts will be opened only with firms or individuals with approved credit. The Seller reserves the privilege of declining to make deliveries except for cash whenever, for any reason, doubt as to the Buyer's responsibility develops.

Terms of Payment on items subject to credit approval are as follows:

For piece parts in production, a Discount of one percent (1%) is allowed on invoices paid within ten (10) days of the date of invoice, the Net is due in thirty (30) Days, or due in accordance with previously agreed upon terms. Tool orders and prototype orders are excluded from the discount.

Prototype parts must be paid within ten (10) working days of receipt of approved samples by Buyer. Approval disposition of prototype samples must be made within ten (10) working days of receipt of samples by Buyer. There is a three hundred dollar (\$300.00) minimum lot charge for all production parts.

It is our standard policy to request a deposit on specially designed new dies, special modifications or dimensional modifications to existing tools or dies, prototype piece parts, and retooling or refurbishment of dies. The Seller reserves the right to ask for a down payment on other types of work as requested by the Buyer, if the work falls outside the scope of the typical work currently performed in the execution of an existing contract with the Seller. Deposit invoices are due upon receipt and not discountable.

With approved credit, our payment terms on custom or modified standard dies and tools priced \$40,000.00 or less are thirty percent (30%) upon placement of order, thirty percent (30%) due when initial die samples have been provided, and the balance invoiced upon sample approval. Approval disposition of samples must be made within ten (10) working days of receipt of samples by Buyer. Final payment must be paid within ten (10) working days of approval of samples by Buyer.



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With approved credit, our payment terms on custom or modified standard dies and tools priced more than \$40,000.00 are fifty percent (50%) upon placement of order, twenty-five percent (25%) due when initial die samples have been provided, and the balance invoiced upon sample approval. Approval disposition of samples must be made within ten (10) working days of receipt of samples by Buyer. Final payment must be paid within ten (10) working days of approval of samples by Buyer.

No piece part production will ship until all associated tooling is paid in full. These payment terms can be modified by written agreement of both parties prior to written acceptance of the formal tooling quotation.

Any delay in receiving payment, whether invoiced or not, will cause Seller to stop work on the order, thus extending the delivery date or subjecting the order to possible cancellation (see CANCELLATION POLICY).

The agreed price herein is based upon the Buyer's agreement to accept the delivery of all of the ordered goods within the delivery time frame provided on the agreed upon Production Quotation, and in any event, prior to the end date of any blanket orders placed by the Buyer.

Failure of the Buyer to accept delivery within the agreed upon time frame provided on the accepted Production Quotation will not relieve the Buyer of any obligation for payment. Any calculations of terms for final payment will be calculated from the last calendar date noted within the delivery time frame provided on the Production Quotation.

Items held by Seller for more than fourteen (14) days past the agreed upon delivery date may subject Buyer to holding charges which are due in full within ten (10) days from date of transmission to Buyer of the invoice reflecting said holding charges. Failure of the Buyer to make payment within said time shall give Seller the option to: cancel any balance of the order, liquidate the material or equipment, and invoice the Buyer for any shortage from that which is owed.

Any delay in payment of invoices beyond the agreed to terms shall be subject to a service charge of one and one-half percent (1.5%) per month being an annual percentage rate of eighteen percent (18%) and may result in credit privileges being revoked. In the event Seller is required to employ a collection agency or an attorney to enforce collection, Buyer agrees to pay all of Seller's fees, costs, and expenses, including attorney's fees and any costs born from the act of collection on the unpaid invoice[s].

QUOTATIONS

Delivery quotes are estimates only, based on actual manufacturing time depending on workloads, available man-hours and the availability of raw materials and supplies. Seller's typographical and clerical errors are subject to correction. Until an order is accepted by Seller upon written acknowledgment, quoted prices and lead times are subject to change without notice. All quotations, unless otherwise stated, are for immediate acceptance.

CANCELLATION POLICY

If Buyer cancels an accepted purchase order placed by the same, Buyer assumes immediate liability and agrees to make payment to the Seller for all work completed, work in process on the basis of percentage completed, raw material and purchased items whether received by Seller or covered by commitments made by Seller, unamortized tooling, engineering and other cancellation charges incurred on the basis of cost to the Seller, plus handling and overhead charges. Cancellation charges will be estimated and billed at the time of cancellation or deferment. Final adjustments for cancellation will be made and invoiced or credited within thirty (30) days of cancellation.

Seller reserves the absolute right to cancel the contract: (1) upon breach of contract by the Buyer; (2) upon failure by the Buyer to make any payments required by this contract; (3) upon insolvency or bankruptcy of the



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Buyer; (4) if the Seller has good faith doubt to the Buyer's ability to pay in accordance with stated terms of payment.

RETURN POLICY

No items may be returned without prior written authorization from Seller. All claims must be made, in writing, within five (5) business days of receipt of goods. All items must be returned freight prepaid unless prior authorization in writing has been given by Seller. Charges incurred by the Seller for returns made via any unapproved method will be charged back to the Buyer. Any credited items are subject to receipt and inspection by Seller.

SELLER REPRESENTATIONS

Seller assumes no responsibility and does not warrant functionality of components produced based on approved Buyer product designs. Should the product be found to have a non-conformity related to design, it will be the Buyer's responsibility to incur all costs related to the non-conformance as the Seller holds no design responsibility. Under NO conditions will Seller be responsible for down-time, loss of good will, consequential damages, or liquidated damages.

NO ADDITIONAL WARRANTIES

Other than those specifically set forth herein or modifications of contract, no warranties shall be binding on either party unless in writing signed by the party to be charged, and no acts or conduct on the part of the Seller, or any of its representatives, shall constitute a waiver of any of the terms of this contract.

CLAIMS

All complaints or claims for nonconformance to specifications or defects in workmanship and material must be made to Seller, in writing, specifying same in detail within five (5) days of receipt of parts by Buyer. Unless such claim is made within the time set forth, the merchandise shall be deemed to have been delivered in satisfactory condition and in accordance with specifications and the terms of this contract. Buyer shall afford Seller prompt and reasonable opportunity to inspect merchandise as to which any claim is made.

The liability of the Seller for any cause whatsoever shall be limited to the repair or replacement of any defective merchandise. If such claim is sustained and material furnished is not as ordered as per print to be agreed upon by both parties in writing, the Seller, at its sole discretion, shall repair, replace, or credit Buyer. Under no circumstances will the Seller be liable to Buyer or to any parties claiming through Buyer, in contract or tort, for any direct, special, indirect, consequential, or other damages or expenses of any kind arising from any cause whatsoever, including but not limited to personal injury, property damages, loss of profits, loss of production, recall or any other losses, down time, loss of good will, or expense involved in fabrication done on production products.

Seller will not allow claims for defective goods on those parts further processed by the Buyer and resulting in change of either dimensions or characteristics from the parts as ordered.

Claims for shortages or errors in delivery must be made in writing within five (5) days after receipt of goods.

DELAYS

Seller shall not be liable for failure to deliver or delays in delivery due to causes beyond Seller's control, including without limitation, fire, flood, labor disputes, act of public enemy, act of governmental authority, shortage or delays in receipt of raw materials, acts of God, delays in return of goods from outside service vendors, machinery breakdowns, or delays of carriers or suppliers. In the event of any delay in delivery due to such causes, unless otherwise agreed, the time for delivery shall be deemed extended. Delayed orders may be canceled by Buyer under the terms described in CANCELLATION POLICY.



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SHIPMENT

Prior to production quotation acceptance, the Buyers should state explicitly the method of shipment preferred. Shipments, if requested, will be insured at Buyer's expense. All prices quoted are FOB Wauconda, Illinois unless otherwise agreed upon in writing between the parties. Seller shall not be liable for any damages caused by failure or delay in shipping goods hereunder if such failure or delay is due to any war, embargo, riot, fire, flood, accident, mill condition, strike or other labor difficulty, act of Buyer, act of God, act of governmental authority, transportation shortage or failure, inability to obtain sufficient fuel, labor, materials or manufacturing facilities, or any other cause beyond the reasonable control of Seller.

RISK OF FREIGHT LOSS & FREIGHT CLAIMS

Risk of loss or damage from the time of shipment is assumed by the Buyer. Common carrier shipments are "freight collect." Seller will invoice Buyer for the cost of merchandise, Carrier will collect payment for shipment and insurance direct from Buyer. All packages and shipping containers must be inspected for damage upon arrival at Buyer's specified delivery location. Any damage must be noted on the freight papers and reported immediately to the freight carrier. The damaged container must be kept in order to make an insurance claim. Taking a photograph of a damaged container is always good practice. Failure of the Buyer to fully document and report any damaged and/or missing parts at the time of receipt may cause the freight carrier to reject the claim leaving the Buyer fully responsible for the loss.

PACKAGING

Unless specifically stated to the contrary, quotations are made, and orders are accepted, for delivery by partial shipment or release to the Buyer, packed in suitable bulk packaging or corrugated boxes. Additional packaging requirements must be specified at the time of order and prior to acceptance of the Production Quotation by Buyer. Should changes need to be made to the packaging requirements at any time, they will be made at the Buyer's expense and invoiced accordingly. Specialized crates, skids, specialized layer packing, individual piece part packaging, or export packaging, is an extra charge to the Buyer and can be quoted and provided as requested.

PATENTS

It is not the intention of the Seller to manufacture any product which is an infringement of a patented article. Where Buyer supplies specifications for parts to be made by Seller, or where Seller makes Tools, Dies, or other equipment to produce such parts, it is agreed that the Buyer will indemnify, defend and save harmless the Seller from any and all expense involved in any claims for damages from infringements of letters patent by the manufacture of such parts or the manufacturer of equipment to produce those parts.

ENGINEERING CONSIDERATIONS

Seller does not assume any liability, and will be indemnified and held harmless, for piece part product designs and their related engineering considerations, provided by the Buyer. The Seller will provide, if requested, concurrent engineering services for a fee to be agreed upon by the parties in writing prior to the rendering of services, or for a nominal fee at Seller's discretion. Should engineering recommendations be made by the Seller, it is the Buyer's responsibility to update any necessary documentation, including, but not limited to: piece part prints, specifications for material or finishing, or other specifications directly related to the product design. Additionally, the Buyer assumes all responsibility for any testing or certification required to the Buyer-specified product design.

Die designs are based off approved piece part prints, and specifications provided by the Buyer at the time of contract formation. If a Buyer makes changes to piece part prints, product design, specification, or other product related changes, during the die design phase or the die building phase, those engineering changes will be subject to review and possible re-quote or no bid of the existing contract. At that time, the order may be canceled upon written notice to Buyer.



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DIE DESIGN

All detailed blueprints of tools are considered proprietary property of Seller and if copies are desired by Buyer, Seller has total discretion to tender such and any request by Buyer for such must be made prior to purchase order acceptance. Seller grants no rights to Buyer for manufacture or reconstruction of proprietary assemblies or components thereof. All prints and drawings furnished at any time by Seller are for maintenance and repair only. Seller reserves all rights in die design, equipment design, and methods of utilization thereof, except those granted to Buyer by operation of law.

TRANSITION TOOLING

Should the Buyer decide to furnish prebuilt or previously built tooling to the Seller for the express purpose of running production, the Buyer must supply Seller with all information concerning the following, but not limited to: shut height, stroke, tonnage, adjustments, clearances - left to right and front to back, the size and position of all shank holes, rams, bolster plate holes, frame parts and any other obstructions prior to quotation.

Upon receipt of the tooling, the Seller will evaluate the tooling for safety and condition, and prepare a quotation for the revamp, repair, or to make ready the tooling to operate at the Seller's facility. The Seller makes no warranties nor will guarantee the product produced off tooling provided by the Buyer will meet product dimensions, tolerance or specification.

PIECE PART PRODUCTION

Production lead time and run at rate quantities are estimated based on our understanding of the material, machinery, handling, and equipment operation. Lead times are subject to change as detailed in the "DELAYS" section of this document. All production shipments are subject to a ten (10%) percent overage or underage, based on the product of raw material ordered and received.

Material certifications, certificates of compliance, and SPC data for critical dimensions, supplied at the time of each shipment, will be supplied at the Buyer's request or agreed upon in writing at the time of production quotation acceptance by Buyer. Such certifications are subject to additional costs and quotes will be provided to the Buyer upon request.

Costs for raw material used in piece part production, and any outside service required to ensure the product meets customer specification or requirement, including but not limited to any type of coating or plating, specialized cleaning, or other any other service provided by a vendor other than the Seller, are subject to market increases. Unless specified by the Buyer, the Seller will utilize vendors for outside services only vetted through an approval process to ensure compliance to the product requirements.

Specialized testing, or PPAP requests, not made and agreed to at the time of contract formation between the parties, will be quoted separate and apart from any tooling or production order and will incur separate costs and lead times. Approval disposition of PPAP samples must be made within ten (10) working days of receipt of samples by Buyer. Payment must be paid within ten (10) working days of submission of specialized testing results or PPAP approval.

TOLERANCES

All dimensions must be limited by specified tolerance. When not specified, it is understood that commercial tolerances apply. When Buyer purchases material pursuant to his or her own specification, the Seller will not be responsible for the design and fitting of parts: the conforming of the Seller's product to the specified tolerances is sufficient evidence as to the correctness of the product. Where tolerances on production parts are closer than commercial limits, or when dimensions cannot be readily gauged with micrometers, such gauges may be furnished by Buyer or supplied by Seller at an extra charge. Tooling built to manufacture parts to meet a customer's blueprints, which produces parts that conform to the tolerances specified, is sufficient evidence as to the correctness of the product.



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RAW MATERIAL

The Seller only uses certified and vetted raw material suppliers. All raw material is purchased to the specifications outlined by the Buyer's product, and is vendor certified to the Seller at the time of receipt. Material certifications are kept on record and can be provided to the Buyer for all components. The liability of the Seller for any raw material cause whatsoever, shall be limited to the replacement of any defective merchandise. Under no circumstances will the Seller be liable for damages or any claims for consequential damages, liquidated damages, down time, loss of good will, or expense involved in fabrication done on production products related to raw material failure.

INDEMNITY

Buyer agrees to indemnify and save Seller harmless from any claim, damages, and liabilities arising from any accident or malfunction related to the design of the product, including but not limited to all attorneys' fees and court costs which may be incurred by Seller in defending any such claims. Buyer agrees to save and hold Seller harmless from any claims, demands, liabilities, costs, expenses or judgments arising in whole or in part, directly or indirectly, out of the negligence or lack of due care by Buyer or Buyer's customers, agents, employees or invitees involving use of goods supplied by Seller.

COMPLIANCE WITH LAWS

Seller agrees to comply with all applicable State, Federal and Local Laws, Rules and Regulations and Fair Labor Standards Act of 1938 as amended. Executive Order 11246 Equal Employment Opportunity Act as amended. Seller hereby certifies that these goods were produced in compliance with all applicable requirements of Section 6, 7, and 12 of Fair Labor standards act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

SEVERALTY

Each provision of this contract is severable from every other provision, and if any provision should be held to be unenforceable or void, it shall be treated as if deleted here from, and the remainder of this contract shall be enforced according to its terms.

SECURITY INTEREST

This agreement is intended to and does create, and Buyer grants to Seller, a security interest in the merchandise herein above described to secure the performance or payment of the obligations of the Buyer to Seller hereunder. Seller shall have the right in addition to all others it may possess, at time, for credit reasons, to withhold shipments, recall goods in transit, and retake and repossess all tooling, parts, and goods which have been delivered to the Seller and for these purposes Seller retains title until receiving payment in full. Upon acceptance of any production quotation, Buyer hereby represents and warrants, in writing, that it is solvent within the meaning of the Federal Bankruptcy Law and can pay its debts as they become due and in the event of misrepresentation of said solvency Seller will be entitled to reclamation of all goods not paid for.

VENUE

Any agreement made between Seller and prospective Buyer(s) is considered made in Lake County, Illinois which, at Seller's option, shall be the stipulated venue for the purpose of any litigation which may arise under its terms.

TAXES

Seller will add Illinois Sales Tax to orders placed by Buyers for Illinois Corporations or for all shipments within Illinois unless Buyer supplies Seller with proper documentation and buyer's resale number or exemption certificate. Buyer assumes all responsibility for any required Federal, State and Municipal Taxes required for Buyers located outside of Illinois. Domeny Tool & Stamping Co. reserves the right to invoice any tax as may be imposed at a later date and the Buyer shall pay this tax to Seller or directly to the government agency levying such a tax.



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CHANGES

Whenever possible Seller will try to accommodate details, and modifications desired by our customers. However, modifications that are above and beyond those originally quoted will be charged on a time, labor, and material basis.

FAIR LABOR STANDARDS ACTS

Seller hereby certifies that these goods were produced in compliance with all applicable requirements of Section 6, 7, and 12 of Fair Labor standards act, as amended, and of regulations and orders of the United States Department Of Labor issued under Section 14 thereof.

F.O.B.

The F.O.B dock shipping point, is Wauconda, Illinois, unless otherwise noted.