

DIVERSIFIED METAL PRODUCTS, INC.
GENERAL TERMS AND CONDITIONS OF SALE OF GOODS AND SERVICES

Notwithstanding any other provision to the contrary, the following Terms and Conditions shall apply to any sale of goods or services by DIVERSIFIED METAL PRODUCTS, INC (“Seller” or the “Company”), a Michigan corporation having a place of business at 1489 O’Rourke Blvd., Gaylord, MI 49735. Any purchase order covering the sale of Seller product shall be governed by these Terms and Conditions of Sale and other written provisions mutually agreed upon, if any. Any oral understandings are expressly excluded. Seller shall not be deemed to have waived these Terms and Conditions of Sale if it fails to object to provisions appearing on, incorporated by reference in, or attached to Buyer’s purchase order form which provisions are hereby expressly rejected. Buyer’s silence or acceptance or use of product constitutes its acceptance of these Terms and Conditions of Sale. No Modification or addition of these Terms and Conditions of Sale shall be effective unless agreed in writing and signed by an authorized representative of Seller. Buyer shall not be obligated to buy any Product from Seller, and Seller shall not be obligated to sell any product to Buyer. In the event Buyer orders product from Seller and Seller delivers product to Buyer, the Terms and Conditions contained in this document shall apply to all such sales and transactions.

STANDARD TERMS AND CONDITIONS OF SALE

1. The Contract:

- a. Seller’s quote, whether in the form of a quotation or bid document (the “Offer”) is Seller’s offer to supply the Goods and Services (collectively the “Goods”) identified in the Offer. Buyer will be deemed to have accepted Seller’s Offer if Buyer:
 - i. Issues a purchase Order for the Goods;
 - ii. Acknowledges in writing its acceptance of Seller’s Offer; and
 - iii. Authorizes Seller to provide the Goods or to commence work related to the Supplies;
 - iv. Accepts delivery of the Goods; or
 - v. Otherwise indicates its agreement that Seller is to provide the Goods. Any acceptance by Buyer is limited to the terms of Seller’s Offer and any changes or additions proposed by Buyer are rejected, unless Seller agrees in a signed writing.
- b. Upon acceptance, the Contract shall consist of the Offer, including, these General Terms and Conditions, together with;
 - i. Any other documents specifically incorporated or referenced in the Offer;
 - ii. Any other documents separately agreed to in writing, such as specifications, drawings, requirements of Buyer’s customer, maintenance, replacement, and repair or quality requirements,
 - iii. Buyer’s purchase order and any documents incorporated or referenced in the Buyer purchase order, unless the terms of which conflict with these Terms and Condition or other terms expressly agreed to by the parties.
- c. The documents composing the Contract shall, to the extent possible, be read together consistently, but in the event of conflict
 - i. These General Terms and Conditions shall take priority over any general terms of other standard Buyer documents that are incorporated in Buyer’s purchase order; and
 - ii. Other specifically negotiated provision in documents comprising the Contract will take priority over any inconsistent provision in these General Terms and Conditions.
- d. Except as stated above, neither party may make any changes to the Contract during its term without the prior written consent of Buyer and Seller. If the General Terms and Conditions change during the term of the Contract, those changes shall not apply during the term, unless expressly agreed in writing by Buyer.

2. Goods: If quantities or delivery schedules are not specified in the Contract, they will be as reasonably determined by Buyer and stated in Buyer’s firm releases issued to Seller from time to time. Whether quantities or delivery terms are “reasonably determined” shall take into account, without limitation;

- a. Any capacity limitations specified in the Contract or otherwise agreed to by Buyer and Seller in writing;

- b. Unusual volume or timing fluctuations that are inconsistent with customary lead times requirements or any lead time requirements specified in the Contract or otherwise agreed to by Buyer and Seller in writing;
 - c. Any output fluctuations of Seller that are agreed by the parties or, if not agreed, acceptable within the industry in light of the nature of the Goods and production methods; and
 - d. The amount if any of contractually agreed inventory.
However, in all events, Seller shall use best efforts to meet Buyer's quantities and delivery schedules. Unless otherwise provided in the Contract, Buyer shall retain, at Buyer's Expense, a reasonable quantity of over-shipments as inventory on a consignment basis, until removed from inventory.
3. **Prices:** All quoted prices in effect on the purchase order date (unless quoted otherwise) or date of completion if shipment is deferred on Buyer's instructions, are Free On Board (F.O.B.) point of shipment unless specified, and are subject to change without notice. Prices do not include sales, use, excise, or other taxes. Any such tax that Company is required by law to collect, will be added to the invoice price. All prices are based on the quantities quoted and any change in the quantities may affect the price. No discount will be allowed unless specifically agreed to in writing by Company. Until the purchase price and all other sums due pursuant hereto are paid in full, Buyer grants Company and Company retains a security in the Goods or Services described on the face hereof and in all proceeds of the Goods.
4. **Delivery Date:** All scheduled delivery dates are estimates based on a normal workload and all deliveries are subject to change without liability to Company. Unless expressly specified to the contrary, all shipping dates are based upon current availability of materials, present production schedules and prompt receipt of all necessary information. Seller will not be liable for any damages, loss, fault, expense or freight charges arising out of delays in shipment or other non-performance of this agreement caused by or imposed by (a) strikes, fires, disasters, riots, acts of God, (b) acts of Buyer, (c) shortages of labor, fuel, power, materials, supplies, transportation, or manufacturing facilities (d) government action, (e) subcontractor delay, or Agreement and/or extend any date upon which any performance is due.
5. **Warranty:**
- a. Company warrants its Goods to be free from material defects in material and workmanship except:
 - i. when Goods have been modified and/or subject to improper handling, storage, installation, operation, or maintenance.
 - ii. when an item is purchased by Company as a component part of the Goods, except to the extent to which such item or items are covered by the warranty, if any, of the original manufacturer.
 - iii. when an item which is a component part of the product has been furnished by Buyer.
 - iv. no warranty of a component part shall extend beyond the warranty period of the device in which such component part is incorporated.
 - b. There is no implied warranty of merchantability or of fitness for particular purpose and there are no warranties of any nature except as set forth in paragraph 3 herein. Any claim by Buyer made pursuant to Company's warranty must be made in writing. Company shall have the right to inspect the Goods claimed to be defective and shall have the right to determine the cause of such alleged defect. All Goods replaced or repaired by Company under its warranty shall be replaced or repaired F.O.B. Company's plant. Buyer must notify Company, in writing, within fifteen (15) days from receipt of Goods of any obvious defect in the product, or shortages, or Company shall have no obligation to correct such defect. Company shall have the option of re-inspection at Buyer's plant or its own before allowing or disallowing Buyer's claim. Defects that do not impair service shall not be a cause for rejection or recovery under any warranty. Buyer assumes full responsibility for the use and application of the product. Buyer accepts Company's design and material selection and specifications in placing this order unless other specifications are agreed to in writing by both parties prior to the manufacture of Goods by Company.
6. **Limitation of Liability:** Company's liability under its warranty is expressly limited to the repair, replacement, or refund of the invoice price of Goods, which prove to be defective in materials or workmanship within a period of ninety (90) days of delivery to Buyer. The repair, replacement or refund of the Goods shall be at Company's sole discretion. The Company's obligation to repair or replace defective Goods or refund the invoice price constitutes agreed and liquidated damages for any

breach of warranty by Company. Company shall not be liable for incidental or consequential damages of any kind including consequential damages for injury to any person. In no event shall Company be liable for incidental or consequential damages arising out of or in connection with this Agreement, including without limitation, breach of any obligation or warranty imposed on Seller hereunder or in connection herewith. Consequential damages for purposes hereof shall include without limitation, loss of use, income or profit, or losses sustained as the result of injury to any person, or loss of or sustained as the result of work stoppage. Buyer shall indemnify Seller against all liability, cost or expense, which may be sustained by Seller on account of any such loss, damage or injury

7. **Indemnity:** Buyer shall indemnify and hold Company harmless from and against all claims and causes of action for damages and expenses of every kind and character including costs of suit and reasonable attorney's fees asserted against Company, its agents, servants and employees arising out of or in any manner connected with the product or use of the product listed on the face hereof. This includes, but is not limited to, all claims and causes of action resulting from patent or trademark infringement, which are based, in whole or in part, from Goods manufactured to Buyer's specifications.
8. **Terms of Payment:** Payment shall be made to Company at its office in Gaylord, MI, or as directed by the Company and shall be due and payable as set forth on the face of Company's invoice. Service charges are payable on overdue invoices at an amount of 1.5% per month or the maximum legal rate, whichever is less. All orders and shipments shall be at all times subject to the approval of the Company's credit department. The Company reserves the right of declining to accept any order or make any shipment whenever, for any reason, there is doubt as to Buyer's financial responsibility and Company shall not in such event be liable for breach or non-performance, in whole or part. Where the Company does not issue either a quotation or a sales confirmation and ships Goods pursuant to Buyer's purchase order, such sales shall be subject to Company Standard Terms and Conditions of Sale as set forth on the Company's invoice. Any additional or different Terms or Conditions of Sale set forth in the purchase order or other communication from Buyer are objected to by Company and shall not be effective nor binding unless assented to in writing by an officer of the Company.
9. **Shipment:** Unless otherwise specified herein, all shipments are F.O.B. point of shipment indicated on the front hereof. Company's responsibility terminates upon completion of Goods in good order and made available for delivery to a common carrier from Company's facility. The Goods, title thereto and any risk of loss, shall be considered transferred to the Buyer upon availability for delivery to a common carrier. No claims for shortages, damages or failure in delivery, whether by common carrier, parcel post or otherwise, may be made by the Buyer against the Company. In the absence of written shipping instructions from Buyer, Company may ship the Goods freight collect to the Buyer by any common carrier which it considers satisfactory or, if appropriate, in the opinion of the Company, by parcel post.
10. **Cancellations and Return of Goods:** No purchase order with respect to which Company has issued or indicated a sales confirmation may be cancelled or the manufacture of Goods there under suspended after the date of the sales confirmation without the sole and express written consent of Company. Upon cancellation or suspension at the request of the Buyer, and acceptance by the Company, Buyer shall reimburse the Company promptly for all expenditures incurred by Company, including, but not limited to, material used, labor and engineering services, a proportionate share of direct manufacturing, engineering, selling, general and administrative expenses, and profits which would have been earned under the purchase order. In addition, the Buyer shall also reimburse Company for any extraordinary costs and other expenses attributable to such suspension or cancellation. No Goods shall be returned to company (whether due to cancellation of a purchase order or for any other reason not the fault of the company) without prior written authorization from company. An inspection and restocking charge on all returned items will, at Company's option, be required. Any request to return Goods shall include, in addition to other information reasonably requested by Company, a full description of the Goods, the date of the purchase order and Company's invoice number.
11. **Packing and Crating:** Except as provided on the face hereof or as hereinafter provided, prices include packing for Goods destined within continental limits of the United States excluding Hawaii and Alaska. An additional charge may be made for crating and for export packing.
12. **Miscellaneous:**
 - a. None of the Standard Terms and Conditions of Sale herein may be added to, modified, superseded or otherwise altered except by a written instrument, signed by an officer of Company. Each shipment received by Buyer from Company shall be deemed to be upon the Terms and Conditions

herein set forth, except as they may be added to, modified, superseded or otherwise modified as provided above, notwithstanding Buyer's act of accepting or paying for the Goods or similar act of Buyer.

- b. Any typographical or clerical error herein is subject to correction.
 - c. This document and the sale of the Goods described herein shall be construed in accordance with the laws of the State of Michigan.
 - d. The submission of a quotation by Company in response to Buyer's request does not constitute an expression of Acceptance of any Term or Condition which may have been set forth in Buyer's request. The Terms and Conditions of Sale set forth herein are the only Terms and Conditions applicable to the sale of the Goods described on the face hereof notwithstanding prior or, post sale, references.
 - e. Company will not be liable for any losses or delays resulting from fire, flood, storm, strikes or other circumstances beyond its control, which affect its operations or the operations of its suppliers.
 - f. Company shall have the right to charge a service fee for reissuing invoices due to unauthorized discounts taken by Buyer.
- 13. Assignment:** Neither party may assign or subcontract its duties or responsibilities under the Contract without the prior written consent of the other party, which will not be unreasonably withheld or delayed. Unless otherwise stated in the consent any assignment or subcontracting by either party, with or without the required consent, will not relieve that party of its duties of obligations under the Contract or its responsibility for non-performance or Default by its assignee or subcontractor.
- 14. Insurance.** Unless otherwise provided in the Contract, Buyer shall be responsible for maintaining insurance on all Buyer's property in the possession of Seller. Seller shall provide insurance protection in reasonable amounts against fire, theft and vandalism on all Buyer's property that is in the possession of Seller. Seller shall also provide workers' compensation insurance as required by applicable law.
- 15. Severability:** Each provision of these Terms and Conditions is intended to be severable. If any term or provision hereof or any portion thereof, or the application thereof to any entity or circumstance shall be determined by a court of competent jurisdiction to be illegal or unenforceable for any reason whatsoever, such term, provision or application thereof shall be severed here from and shall not affect the validity of the remainder of these Terms and Conditions or the application of such term or provision to any other entity or circumstance.
- 16. Confidential Information.** Trade secrets, specifications, drawings, notes, instructions, engineering data, analyses, compositions of matter, financial data and other technical and business data which are supplied or disclosed by Buyer or Seller in connection with the Contract, in each case that are marked or otherwise identified as confidential or where their confidential nature is apparent at the time of disclosure ("Confidential Information") will be deemed confidential and proprietary to and remain the sole property of the disclosing party. The receiving party may not disclose Confidential Information or use Confidential Information for any purpose other than as contemplated under the Contract without in each case the written consent of the disclosing party. Confidential Information will not include information that is or becomes generally available to the public other than as a result of a violation of the Agreement or was disclosed to the party by someone who was under no obligation to hold the information as confidential.
- 17. Default and Attorney's Fees:** Should Buyer default on any obligation hereunder or become insolvent or make an assignment for the benefit of creditors or be subject to any reorganization or bankruptcy proceeding, or if Company shall deem it to be in its best interest to do so to protect it or the product against loss or damage or upon termination of this order for whatever cause or reason, then Company and its agents or representatives may, in addition to any other rights or remedies it may have under this order or at law or in equity, without notice or demand of liability or legal process, retain or otherwise repossess all or any part of the Goods thereof and/or items furnished by Buyer; and Buyer expressly waives all further rights to possession of said product and all claims for injury suffered through or loss caused by retention or repossession. If Company shall retain/repossess the product or shall institute any proceeding to recover any moneys due hereunder or to recover possession of the product or any part thereof or to enforce any term or condition hereof, Buyer shall pay Company's cost incurred therein including Company's attorney's fees and all costs of suit. Company's rights hereunder are cumulative and not alternative.

