



General Grind and Machine, Inc. Terms and Conditions of Sale for the Purchase of Goods

DEFINITIONS

"GGM" means General Grind and Machine, Inc.
"Customer" means the Customer, or entity to whom GGM provides goods or products. "Agreement" means the collective terms and conditions used herein.

GGM agrees to produce, and Customer agrees to purchase goods, upon the herein contained terms and conditions, at a certain price and in such quantities as contained in a separate GGM quotation, correspondence, or customer purchase order. All other said terms and conditions shall apply to such subsequent orders unless specifically agreed upon in separate writing, signed by GGM and Customer.

This AGREEMENT supersedes all prior discussions and writings and constitutes the entire AGREEMENT between the Parties with respect to the subject matter. Customer agrees that it accepts GGM's terms and conditions, without any additional or different terms. Any such terms or conditions which differ or are in addition to these herein contained stated terms and conditions are hereby rejected by GGM and are excluded. No waiver or modification of this AGREEMENT will be binding upon either Party unless made in writing and signed by a duly authorized representative of such Party and no failure or delay in enforcing any right will be deemed waived.

PAYMENT

All payments due to GGM are 1% net 15 days - 0% net 30 days from date of unless agreed in writing, signed by GGM and due at GGM's plant located in Aledo, Mercer County, Illinois, and are to be paid in USD. Any payment past 30 days shall accrue interest at the rate of 1 ½% per month (30 days). GGM shall, at its option, require payment in advance, restructure payments, suspend its performance and shipment of goods, to any customer whose payments are past 30 days.

If Customer fails to make a payment when due or if GGM reasonably deems itself to be insecure in respect of Customer's ability to satisfy its payment obligations under the Agreement, GGM may take one or more of the following actions: (a) cancel any outstanding orders, (b) withhold further deliveries of products and (c) declare all unpaid amounts for products previously delivered immediately due and payable. Customer shall reimburse to GGM for all costs of collection, including reasonable attorneys' fees, incurred as a result of Customer's failure to make payments when due.

PRICE AND TAXES

Any taxes, charges, levies, assessments or other impositions imposed, including those related to import or export laws, under any present or future law on the sale or use of the goods covered by this agreement will be paid by Customer. GGM shall charge and collect from Customer all taxes imposed by Federal, State or Local authorities' unless Customer provides to GGM appropriate exemption forms. In the event GGM relies upon exemption forms provided by Customer and a taxing authority later determines such tax should have been paid, Customer shall be liable for such taxes, penalties and interest and further agrees to indemnify and hold GGM harmless regarding any liability therefrom arising.

Unless otherwise provided in a writing that is a part of the Agreement, the price for Products will be GGM's most recently adjusted price that is in effect on the Shipment Date. (The Shipment Date is the date upon which GGM has completed the applicable order and made the Products available for shipment.)

The price does not include taxes, duties, fees, assessments or other charges imposed by any governmental authority on the manufacture, sale, purchase, transportation, export or import of the Products, all of which will be the responsibility of and paid by Customer or, if required to be paid by GGM, then reimbursed to GGM by Customer.

GGM may pass through to Customer, and Customer shall accept, any price increase imposed by a supplier or sub-vendor that Customer requires GGM to use. Except to the extent Customer and GGM have otherwise explicitly agreed in a separate signed writing, GGM may at any time adjust prices based on or apply a surcharge reflecting changes to energy costs, material costs, labor costs and exchange rates.

SHIPMENT AND DELIVERY

Indicated or "promised" delivery dates, shipment dates and completion dates are estimates and assume, among other things timely receipt from the Customer and others of any necessary information, confirming raw materials, and tooling, and of any required advance payment. GGM's failure to meet an indicated delivery date or completion date will not constitute a breach of the Agreement. GGM will be excused from any performance obligation to the extent GGM's performance is prevented or delayed by a cause or event beyond its reasonable control, including an act of God, action of governmental authorities, fire, flood, windstorm, explosion, riot, natural disaster, war, sabotage, labor problems, failure of our inability to obtain power, material, labor, equipment or transportation, and a court or administrative injunction or

order. If GGM's production or delivery is delayed GGM may allocate production and delivery among its customers in a manner it deems reasonable.

Customer accepts title to the goods and risk of loss FOB GGM's plant located at Aledo, Mercer County, Illinois.

GGM will pack such goods to a reasonable standard generally accepted within the industry. The Customer shall inspect the goods immediately on their arrival and shall within ten (10) days of their arrival, give written notice to GGM of any claim that the goods do not conform with the terms of the contract. If the Customer shall fail to give such notice, the goods shall be deemed to conform with the terms of the contract, and the Customer shall be bound to accept and pay for the goods in accordance with the terms of the contract.

ORDER MANAGEMENT

GGM makes every reasonable effort to meet the requirements and expectations of its customers. GGM understands that circumstances may change and will attempt to accommodate all such changes, including production schedule. However, change orders with less than a 30-day notice may, at GGM's discretion, be assessed an additional charge to be mutually agreed upon by GGM and Customer. Such change orders include, but are not limited to: minimum order runs, expediting, special documentation, quantity changes, material availability, date changes, and specialized packaging. Stated lead times will be listed on quotes and can change in accordance with general market conditions. Delay/Cancellation costs include all labor, materials, overhead, general and administrative costs, restocking charges, surcharges levied on material by outside suppliers, sub-vendor cancellation charges, excess inventory charges, value of storage space, inventory tax charges, banking and finance charges, scrapping and disposal fees, and other harm, costs and charges incurred directly or indirectly by GGM in connection with a requested delay or cancellation of an order for Products. Customer is not entitled, without GGM's prior written consent, which may be withheld or condition in GGM's sole discretion, to delay or cancel a delivery of Products for all or any part of an Order. GGM may treat as a cancellation any proposed delay greater than 60 days. If GGM consents to the delay, Customer shall pay a delay charge in an amount determined in GGM's sole discretion to reflect all applicable Delay/Cancellation costs. If GGM consents to the cancellation, Customer shall pay a cancellation charge in an amount determined in GGM's sole discretion to reflect all applicable Delay/Cancellation Costs plus a reasonable and equitable profit for GGM. Upon payment of the cancellation charge, Customer will be entitled to all undisposed raw materials, work in process and finished Products, shipped at the Customers expense.

LIMITED WARRANTY

GGM warrants that, on the shipment date, the products (a) will conform to any specifications explicitly identified on the face of GGM's quotation or acknowledgement or set forth explicitly in another document that is a part of the Agreement, and (b) will be free of defects in material and workmanship that would be discovered by the following GGM's standards of manufacture and inspection at the time of manufacture. The foregoing limited warranty is in lieu of, and GGM disclaims, all other warranties, express and implied, including warranties of design, performance or product life, warranties of compliance with Customers quality manuals, quality policies, inspection protocols and other policies and requirements, and the implied warranties of merchantability and fitness for a particular purpose.

The limited warranty will be void upon any action inconsistent with the proper use and handling of the Products including (a) improper handling, transportation, storage modification or repair, (b) accident, abuse or improper use (including loading beyond the specified maximum), and (c) improper installation, lubrication or maintenance.

The limited warranty does not apply to Products supplied for testing and evaluation ("prototype parts").

EXCLUSIVE REMEDY

If a Product does not meet the limited warranty, Customers sole and exclusive remedy will be, at GGM's choice, repair or replacement of the nonconforming Product or a credit of a fair amount not to exceed the price paid for the nonconforming Product. To be entitled to the exclusive remedy, Customer must (a) submit the warranty claim to GGM within one year following the Shipment Date for Product (b) return to GGM 100% or, if agreed by GGM, a lesser but still statistically relevant percentage of the Products claimed to be defective, and (c) provide reasonable evidence in support of the warranty claim, including, if requested by GGM, results of diagnostic tests, evaluations and investigations performed by Customer. The warranty claims limitation period for repaired or replaced Products will expire at the same time as the original warranty claims limitation period.

BUSINESS CONDUCT

Customer represents that it has not made any promises that it shall not make any payment or gift to an employee or official of a government, political party or political candidate, government-owned or controlled company or public international organization to promote GMM's products or to promote or facilitate the business interest of GGM.



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CONFIDENTIAL INFORMATION

With respect to confidential information concerning the Product subject to the Agreement that Customer comes to know either through disclosure from GGM or otherwise, Customer (a) shall not disclose the information to any third part, (b) shall not use the information for any purpose other than evaluation and use of the Products, and (c) acquires no ownership, license or other interest in the information.

INTELLECTUAL PROPERTY

Nothing in the Agreement is to be construed as a grant or assignment of any license or other right to Customer of any of GGM's or its affiliates' intellectual property rights, whether patent, trademark, trade secret, copyright or otherwise. All improvements and developments related to the Products arising out of the efforts of GGM and Customer will be owned exclusively by GGM, and Customer shall reasonably cooperate with GGM in confirming that result. Customer shall indemnify and defend GGM from all loss and liability resulting from or related to claims that design elements for the Products that were provided by the Customer infringe the intellectual property rights of third parties.

INTERNATIONAL TRADE

Except as agreed or certified in a separate written instrument signed by GGM's compliance team, GGM makes no representation with respect to the country of origin, qualification for duty preference or similar program,

INDEMNITY

Customer shall defend, indemnify and hold GGM and all of their directors, officers, personnel, and their successors, assigns, and customers harmless from and against any and all expenses, damages, claims, actions, demands, losses, penalties, fines, liabilities and causes of action (including, but not limited to, attorneys' fees and expenses) for injury, loss or damage of any kind caused by or arising from, or alleged to have been caused by or arise from a) Customer's negligence, strict liability or other claim involving the design and/or manufacture of the Parts or the warnings or lack thereof. (b) Customer's breach of this Agreement. (c) Customer's negligent or willful acts and omissions. Failure on GGM's part to discover and/or remedy the foregoing acts or omissions shall not excuse Customer from this obligation. GGM shall promptly notify Customer in writing of the expense, damage, claim, action, demand, loss, liability or cause of action (the "Loss"), and give Customer control of the defense of same, insofar as GGM has the authority to do so. Customer shall be obligated to defend, settle, or otherwise dispose of the Loss at Customer's expense. GGM shall cooperate in, but not be responsible for paying for, the investigation and defense thereof. Customer shall reimburse GGM for any reasonable expenses that GGM incurs in connection with the investigation and defense of the Loss. Should Customer fail to assume its obligation here under GGM shall have the right, but not the obligation, to defend itself and to thereafter require from Customer reimbursement and indemnification for any and all costs and expenses, including attorneys' fees, paid by GGM in connection therewith.