

Cascade Die Casting Group, Inc.  
Purchase Order  
Terms and Conditions

1. Acceptance. Acceptance by any means shall be deemed acceptance on the terms and conditions stated in this Order and none other. Any additional, different or inconsistent terms or conditions contained in any correspondence, specifications, discussions or any form of quotation, acknowledgment, acceptance or confirmation used by Seller shall be of no force or effect whatsoever, unless specifically agreed to in a writing signed by buyer after the date of this order.

2. Prices and Terms. The prices on the purchase order are total delivered prices. If definitive prices are not stated, the prices are the lower of those last quoted or charged by Seller to Buyer. No charges of any kind, whether for packing, shipping, delivery, existing or future taxes or duties of any type, insurance or otherwise, shall be made by Seller, unless stated on the purchase order or agreed to in a writing signed by Buyer after the date of this order. If a prompt payment discount is allowed, the discount period shall commence running on the later of Buyer's receipt of the invoice (or corrected invoice) or of delivery at Buyer's plant. Seller shall render invoices in triplicate with shipping papers attached, all of which shall refer to Buyer's Purchase Order Number.

3. Quantities and Delivery. Unless otherwise specified in this Purchase Order or in a writing signed by Buyer after the date of this Order, Shipments must be received at Buyer's place of business as indicated on the reverse side in entire and exact quantity ordered. Buyer need not accept partial shipments and acceptance of such shall not waive Buyer's right to refuse subsequent partial shipments. TIME IS OF THE ESSENCE and Buyer reserves the right to reject untimely performance and to purchase elsewhere holding Seller accountable. Buyer may change or temporarily suspend shipping schedules under this Order by notifying Seller a reasonable time in advance. When quantities and release dates are indicated on this Order, such are Buyer's current estimates and Seller commits to sell Buyer the quantities indicated on the terms of this Order when and if Buyer later in writing orders with firm delivery dates such (or lesser) quantities. For blanket PO's where release dates are not indicated, buyer commits to buy only those quantities when and if buyer later in writing orders with firm delivery dates such (or lesser) quantities.

4. Inspection and Rejections. Buyer reserves the right to inspect the goods specified (the "goods") for conformance with Buyer's specifications prior to acceptance. Defective goods, goods not meeting Buyer's specifications or shipments not timely received may be rejected and Buyer reserves the right to cancel this Order on any unfilled portion without liability to Seller and without waiving its rights arising from Seller's default. In Buyer's sole discretion, all rejected goods may be either (i) held at Seller's risk and expense (including Buyer's related labor and packing costs) or (ii) returned at Seller's cost and risk or (iii) accepted and retained as nonconforming goods and equitably reduce their price. All nonconforming or rejected goods may be deducted, at Seller's discretion, from total shipments to determine quantity of goods delivered. No returned material shall be replaced without a prior written authorization from Buyer. Payment before inspection shall not be deemed an acceptance or waiver of Buyer's rights to inspect and reject, and the inspection, testing, acceptance or use of the goods shall not be deemed a waiver of any Buyer rights with respect to defective goods.

5. Modification and Cancellation. Buyer may at any time modify this Order as to specifications, quantities and method, date, place and schedule of delivery. Should Seller's actual cost of completion of this Order be increased by such modification, an equitable written price adjustment will be made based on the amount of increased costs. Buyer may at any time cancel all or part of this Order without liability to Seller where Buyer's use of the goods become unfeasible due to strikes, governmental regulations or other unforeseen circumstances beyond Buyer's immediate control, including Buyer or its customers' business interruption. Buyer also may at any time cancel this Order or any part for any other reason and if the goods are manufactured specifically for Buyer and not sellable to others in the ordinary course, then Buyer shall reimburse Seller for the costs of direct labor and materials for all completed items and work in progress (minus salvage value). Any cancellation claim must be submitted to Buyer within thirty (30) days of the notice of cancellation and must be supported by cost data required by Buyer. Buyer may cancel this Order without liability to Seller if proceedings in bankruptcy or for reorganization under any insolvency laws are commenced by or against Seller, a receiver is appointed for Seller's business or property, or Seller makes an assignment for the benefit of creditors or admits insolvency or inability to pay its debts when due. This paragraph states Seller's exclusive rights against Buyer with respect to any cancellation. Buyer's obligations in this paragraph shall not apply in the case of a termination resulting from a breach by Seller.

6. Warranties. Seller warrants to Buyer, its successors and customers, which warranties shall be in addition to any warranties of greater scope given by Seller or available at law and which shall survive Buyer's inspection and acceptance of and payment for the goods (which inspection, acceptance or payment shall not be deemed a waiver) that: (a) title to the goods shall be free of any encumbrances of any kind; (b) the goods shall be free from any patent and latent defects, including but not limited to those involving materials, construction, instructions, warnings or design; (c) the goods are merchantable; (d) the goods conform to specifications, drawings and data furnished to or approved by Buyer, and, if not conflict with such, to Seller's descriptions and any samples examined by Buyer; (e) the goods are fit for the use intended by Buyer, and (f) if Seller is or represents itself to be certified or in compliance with ISO 9000, QS 9000 or any other standards, Seller fully complies with such. Seller agrees to compensate Buyer for, and not to exclude liability for, incidental and/or consequential damages.

7. Loss. If the goods are shipped in any way other than on Buyer's vehicles, the full invoiced value of the materials must be declared by Seller at the time of shipment for protection against loss or damage and Seller shall be liable to Buyer for any and all loss or damage to such goods.

8. Compliance. Seller warrants that it and the goods comply with all applicable federal state and local laws, rules, regulations and Orders, including but not limited to the Fair Labor Standards Act of 1938, as amended, occupational safety and health standards, all employment nondiscrimination and affirmative action laws and all applicable provisions of the Rules and Regulations of the Office of Federal Contract Compliance and the Equal Employment Opportunity Commission. Seller agrees to supply certificates and supporting data in form satisfactory to Buyer or any appropriate governmental agency to establish Seller's compliance as so warranted. Seller warrants as to the goods that all appropriate tests have been performed to establish conformance to all applicable standards. In the event Seller is required to replace or correct any component of any item pursuant to a breach of the foregoing warranty, the running of the warranty period for the item of which the defective component is a part shall be suspended from the date Seller receives notice of the breach of warranty until the date the component is replaced or corrected.

9. Indemnity. Seller agrees to defend, hold harmless and indemnify Buyer, its successors, customers, dealers and agents from and against any and all claims, losses or expenses (including consequential and incidental damages and actual attorneys' fees) arising or alleged to arise, in whole or in part from: (a) the breach of any warranty of Seller, including, but not limited to, those warranties expressly set forth in this Order; (b) the infringement of any patent, trademark or copyright by any goods; and (c) any breach of the terms of this Order by Seller. Buyer's remedies for Seller's breach shall not be time-barred other than as generally provided by law.

10. Tooling. In the event of die failure, cause of failure and responsibility will be determined by CDC. Should Seller of the product or heat treat source be determined as the responsible party and not agree with the determination, analysis by an independent referee laboratory acceptable to both parties can be commissioned on a shared-cost basis to make a liability judgment. If Seller is determined to be liable for delivering substandard material, Seller will be liable to Buyer for (1) total cost of material, (2) transportation cost for material and replacement parts associated with material failure, (3) heat treat costs, and (4) labor costs to machine replacement die. All tooling, materials and parts furnished by Buyer, or tooling specifically paid for by Buyer, shall be and remain the property of Buyer. Title and right to possession of all such tooling, materials and parts shall remain with Buyer, however, Seller shall have the risk of loss for such in its possession or in the possession of its subcontractors. Seller shall maintain all such tooling in good condition and repair, at its sole expense, and Seller shall use such tooling materials and parts solely for the performance of work for Buyer.

11. Installation. If the accomplishment of this Purchase Order requires the performance of services or labor on the premises of Buyer or its customers or any other work on such premises, Seller shall maintain insurance to cover such risk and shall indemnify, defend and hold Buyer harmless from and against all demands, claims, suits, liabilities, damages, judgments, costs and expenses (including consequential and incidental damages and actual attorneys' fees) with respect to any injury or death of any person or property damage arising out of such work by Seller and its contractors and the employees, agents or representatives of any of them.

12. Miscellaneous.

(A) Buyer's purchase of the goods is strictly limited to the terms and conditions stated in this Order. Any conflicting or additional terms, whether consistent or inconsistent with these terms, indicated by Seller prior or subsequent to this Order are excluded, regardless of Seller's lack of objection to such. Failure to object to the terms of this Order within ten (10) days of the receipt of this Order, or, if earlier, shipment of the goods shall be deemed to have incorporated this paragraph and have excluded by reference any such conflicting or additional terms. The terms and conditions set forth in this Order may be altered, modified or supplemented only by a writing signed by one of Buyer's officers.

(B) Buyer's failure to demand strict adherence to the terms and conditions of this Order or to exercise any of its rights or remedies shall not be deemed a waiver of its right to subsequently assert such terms or conditions and rights or remedies. The rights and remedies under this Order are not exclusive, but are in addition to all other rights and remedies provided by law.

(C) The agreement evidenced by this Order shall be binding on and inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. However, Seller may not delegate its duties or assign its obligations without the prior written consent of Buyer.

(D) If this order relates to Seller providing services (with or without goods), this order shall be read, when appropriate, to refer to services rather than goods. This order is subject to correction of clerical errors.