

MUELLER BRASS CO.
Port Huron, Michigan 48040
CONTRACT TERMS

1. **PRICES:** Prices are subject to change without notice, and all quotations, unless otherwise specified, are binding only for immediate acceptance. Prices are based on material made to Seller's standard tolerances unless otherwise specified.

3. **FREIGHT CHARGES:** All goods are sold "F.O.B. POINT OF SHIPMENT" except that freight allowances may be made on various classes of commodities in accordance with Seller's regular published terms. The routing and freight allowance rate shall be as normally used by the Seller. If the Buyer requires alternate methods of shipment, the additional cost of such shipment shall be charged to the Buyer.

4. **PACKAGING AND CARTAGE:** Unless otherwise stated, prices shall include all charges for Seller's usual packing and crating and for cartage to F.O.B. point. Seller shall not be obligated to provide special containers unless specified.

5. **TAXES AND GOVERNMENTAL REGULATIONS:** Any license fee, property, sales, use or excise tax which may be leveled, assessed or imposed by Governmental authority on any of Seller's products shall be added to the price therefore and be paid by the Buyer. Any increase in Seller's costs in purchasing materials or in manufacturing, processing, selling or delivering its products resulting from any Governmental Tax or regulation of industry shall be added to the selling price and be paid by the Buyer.

6. **QUANTITY:** In making materials to Buyer's specifications, it is impracticable to produce the exact quantities specified, and it is therefore agreed that shipment of 10% over or under the amount specified shall be accepted by Buyer as completing a contract or order for such materials, and payments shall be adjusted accordingly.

7. **DIES, PATTERNS AND SPECIAL TOOLS:**

(a) Materials, tools and equipment required to fill any sales contract or order issued by Buyer shall be furnished by Seller, unless otherwise specified. If any are furnished by or on behalf of Buyer for use by Seller they shall be of good quality and workmanship and sufficient for the intended purpose. Any such materials, tools or equipment furnished by or on behalf of Buyer to Seller on other than a charge basis shall be held by Seller as Buyer's property and Seller shall account therefor, provided that Buyer shall allow a reasonable scrap loss on materials.

(b) All tools, patterns and equipment delivered by or on behalf of Buyer to Seller for use by Seller in connection with the production of the goods ordered by Buyer shall be used only for such purposes and shall be kept by Seller in good condition and repair and returned by Seller in as good condition as when received, ordinary wear and tear excepted.

(c) Special tools, patterns and equipment furnished by Seller, even though paid for directly or indirectly by Buyer, shall remain the property and in the possession of Seller at all times and shall be used exclusively in the performance of Buyer's orders, unless it is agreed in writing otherwise. When no orders requiring the use of such items are received by Seller from Buyer for three consecutive years, they may be considered obsolete and may be disposed of by Seller.

(d) Seller shall keep all of Buyer's materials, and all tools, patterns and equipment, special or otherwise, in which Buyer has any interest under (a), (b) or (c) above, insured against risk of loss or damage for their value at Seller's own expense during such time as they remain in Seller's possession without liability whatsoever to Buyer.

8. **INSPECTION CHARGES:** Where Buyer requires tests or inspection not regularly provided by Seller, Seller shall be entitled to a reasonable extra charge therefor.

10. **WARRANTY:** Seller warrants that all articles, material and work will conform with applicable drawings and specifications given to Seller, it being understood that reasonable variances not impairing the usefulness thereof shall be allowed and that said articles, material and work will be free from defects in quality of workmanship which impair the usefulness thereof. If any material shall fail to conform therewith or be defective, Seller will furnish proper material in exchange for same or, at Seller's option, pay or credit to Buyer the sale value less the scrap value of such defective material. Scrap value shall be based on the actual weight of defective material. Such material shall not be returned without the consent of Seller and any claim in respect thereto shall be deemed waived unless made in writing within 60 days after receipt thereof. No other warranty shall exist in respect to such material. Seller will not be responsible nor liable because of breach of warranty or negligence for any consequential damages, or for any cost or expense incurred by Buyer through the use of, inability to use or sale of defective or unsatisfactory material.

11. **PATENT GUARANTY:** Seller agrees to protect, indemnify and hold harmless the Buyer, its successors, assigns, customers and users of its products, against any liability, loss, damage or expense whatsoever resulting from any infringement of any United States Letters Patent by any thing, material, design, composition, or processing, of Seller's origin or practice supplied by Seller. With respect to any thing, material or design, composition, or processing, specified by Buyer and not of Seller's origin or practice, Buyer agrees to save Seller harmless from any liability, loss, damage or expense whatsoever resulting from any infringement of any United States Letter Patent arising out of Seller's making, using or selling the same for or to Buyer in fulfillment of its orders or

contracts. Seller and Buyer severally agree to notify the other in writing promptly of any charge of infringement made and of any suit brought in respect to such device or composition, and to assume or tender to the other the full control of the defense or settlement of such suit in accordance herewith.

12. **DELAYS:** Seller shall not be liable for delays or defaults hereunder due to strikes, riots, fires, accidents, governmental interference or embargoes, shortages of material, fuel, labor, supplies or transportation, or due to any cause of a like or different nature beyond its control. The existence of any such cause or causes of delay shall extend the time of performance or delivery of this order or any uncompleted portion thereof by the time or times required to remove any such excusable cause or causes of delay.

13. **MODIFICATION:** The terms and conditions stated herein shall constitute the entire contract between the parties hereto and no agreement or other understanding in any way modifying, affecting or cancelling same will be binding unless made in writing, signed by an officer of "Seller" and a duly authorized representative of "Buyer." Stenographic and clerical errors or omissions are subject to correction.

14. **COMPLIANCE WITH LAW:** Each party agrees to comply with all other state, Federal or local laws applicable to its performance hereunder.

15. **FINANCIAL RESPONSIBILITY:** All shipments shall at all times be subject to the approval of Seller's Credit Dept. in the event of any proceedings by or against buyer in bankruptcy or insolvency, voluntary or involuntary, or under Chapters X or XI of the Bankruptcy Act of the United States, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of the property of Buyer, or if Seller shall deem Buyer's financial responsibility in doubt, or if Buyer fails to make any payment in accordance with the terms of the contract, Seller may, at its election, stop production under the contract, defer shipment or decline to ship, stop any goods in transit, or Seller may terminate the contract, all without liability and without prejudice to Seller's rights for any sums owing to Seller.

16. **ACCEPTANCE OF SHIPMENTS:** Accepting delivery of any material on this order shall be construed as an acceptance of these contract terms. Buyer agrees to accept shipment within three months from date of order, unless otherwise agreed in writing.

17. **ASSIGNMENTS:** Each party agrees not to assign this order or delegate the performance of its duties hereunder without the consent in writing of the other party.

19. **WAIVER:** Any waiver of strict compliance with the terms of this agreement shall not be a waiver of the right to insist upon strict compliance with the terms hereof thereafter.

20. **CONTRACT INTERPRETATION:** All contracts shall be interpreted, construed and governed by the laws of the State of Michigan.

21. **LIMITS AS TO SIZE, TOLERANCE, ETC.:** All dimensions on screw machine products must be limited by a specified tolerance. When not specified by a customer it is understood that commercial tolerances apply vis.: for decimal dimensions, plus or minus .002 for diameters and plus or minus .010 for lengths, and for fractional dimensions plus or minus .005 on diameters and plus or minus .010 on lengths. Samples are to be considered as fractional dimensions unless otherwise specified. It is definitely understood that concentricity is not a dimension but is the relation that one dimension is to any other and must be specified separately from dimensions. When concentricity limitation is specified, it is understood that it means that actual eccentricity allowable between two dimensions and that the actual eccentricity is one-half what is registered by a dial reading. When concentricity is not specified, the parts will be manufactured in the most economical manner without particular regard to concentricity and quotations are made, orders accepted and contracts made on this basis. On forgings not machined, plus or minus .005 on diameters and plus or minus .010 on thickness are considered standard practice.

22. If this quotation is based on an estimated weight arrived at from any other method than from sample, the price is subject to revision to the extent of any difference between the actual and the estimated weight. Any change in design affecting either the weight or the tool construction will change the quoted price to the extent that it may be affected.

23. **SAMPLES:** To furnish you with a sample for your approval before proceeding with the order would mean the setting up of a press or an automatic machine, and it would stand idle until we heard from you. No expense for the extra set-up for idle machine time has been included in this price; therefore, if you require a sample for approval before we run the order, an extra charge must be made based upon the cost of producing the sample, and quotations will be submitted upon request.

24. The buyer in placing any order based on these quotations shall be understood as accepting the above conditions unless otherwise agreed in writing when order is accepted.

NOTE: Paragraph numbers are for reference only. The omission of some numbers in numerical order is intentional.