

Hale Performance Coatings Master Sales Agreement

The following Terms and Conditions (the "Terms and Conditions") apply to all orders placed with Hale Chrome Service, Inc. d/b/a Hale Performance Coatings ("HPC") for plating, polishing, metal finishing, research, consulting or any other related services. Any additional or different terms and conditions proposed by Customer are objected to and are rejected. Customer agrees to and shall be bound by the Terms and Conditions, notwithstanding and irrespective of any terms or conditions in Customer's purchase order or other purchase documents (whenever issued) that may be different than, additional to, or inconsistent with the Terms and Conditions.

1. **Warranty:** HPC warrants that its processing and finishing shall meet Customer's specifications supplied in writing with the order. When a specification revision level is not called out by customer, customer will accept specification level on file at HPC. HPC warrants that its processing and finishing shall be free from defect in material or workmanship. If the Customer specifies methods and procedures to be followed, HPC assumes no responsibility for the correctness of such methods and procedures or the result when they are followed.
2. **Limitation of Warranty: Disclaimer:** THE LIMITED WARRANTY IN SECTION 1 IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED AND EXCLUDED BY HPC. HPC'S LIABILITY FOR ANY CAUSE IS LIMITED TO THE COST OF DIRECT LABOR AND MATERIAL OF THE DEFECTIVE PRODUCT PRIOR TO HPC'S PROCESSING OF THE PRODUCT OR TWO TIMES HPC'S PROCESSING CHARGES ON SUCH MATERIAL, WHICHEVER IS LESSER. IN NO EVENT SHALL HPC BE LIABLE FOR CUSTOMER'S OR ANY OTHER PERSON'S CONSEQUENTIAL OR INCIDENTAL DAMAGES RESULTING FROM HPC'S PERFORMANCE, INCLUDING BUT NOT LIMITED TO, ANY DAMAGES THAT RESULT IN ANY WAY FROM CUSTOMER'S OR ANY OTHER PERSONS' RELIANCE ON ANY PRODUCTS OR MATERIALS HPC HAS WORKED ON OR BEEN PROVIDED, EVEN IF HPC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
3. **Shortages in Weight or Count:** No claim for shortages in count will be allowed unless made in writing and present or mailed with ten (10) working days after receipt of material or merchandise by the Customer or their consignee
4. **Defects, Right of Inspection:** Upon HPC's inspection, any material or merchandise found to be improperly processed by us will be reworked without charge provided:
 - a) That notice of defect is given in writing to HPC within ten (10) business days from date of delivery;
 - b) That HPC is given the opportunity to inspect the material or merchandise prior to return;
 - c) That materials or merchandise returned are in the same condition as when originally delivered by HPC.
 - d) HPC determines that the Customer has not misused the product since the date of delivery; and
 - e) The Customer provides HPC with specifications on what specific issues or areas need to be reworked.

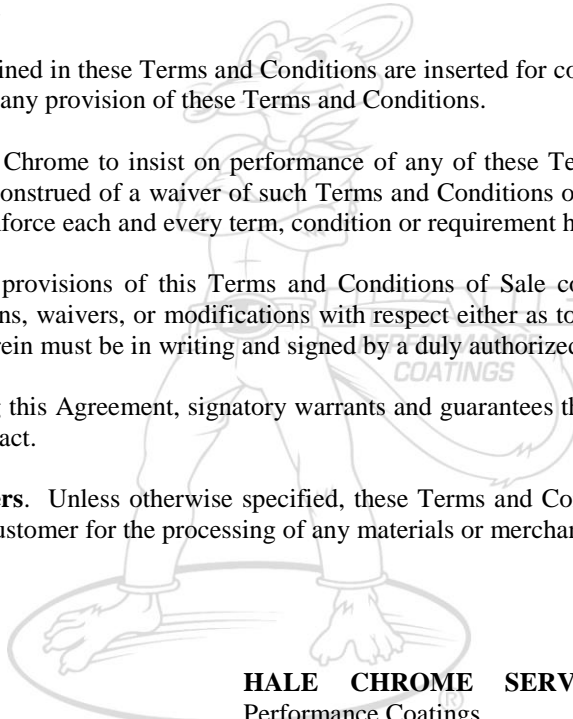
Failure by the Customer to fully adhere to all the above conditions shall release HPC's obligation to rework any material under this section. Customer's processing or assembly of any materials or merchandise rejected by Customer or any other party shall constitute a waiver of any rights afforded the Customer under this Section.

5. **Risk of Loss:** HPC assumes no liability for any loss or damage to merchandise or material while in transit to or from HPC, including transportation in vehicles owned by HPC, or any third party acting at the request of HPC. Merchandise or materials to be shipped to HPC shall be F.O. B. to HPC's location. All shipping by HPC to Customer shall be sent F.O.B. shipping point. In the event parts are damaged during shipment and Customer fails to provide with HPC written request for insurance, Customer assumes the risk for damage above the carriers' payment
6. **Customer Required Specifications:** Customer is required to notify HPC of job requirements (including those provided from to Customer from any third party) that state specific plating specifications or other information necessary for HPC to properly perform the job. This Section serves as a formal request for any such information. In the event such information is not provided, HPC may make the determination that any such specifications are not required.
7. **Quality of Materials Provided by Customer:** In the event the results of HPC's work are unsatisfactory due to (1) metal imperfections (2) changes in grade or composition of materials, manufacturing and/or fabrication imperfections, (3) usages for which the plating or other finishing operation was not reasonably designed; or (4) any other similar variable over which HPC exercises no control, Customer will be required to pay the contracted amount for HPC's services. In addition, HPC reserves the right either to reject the job or make an extra charge for finishing any base metal below HPC's agreed standard. HPC assumes

no responsibility for defective plating, grinding or other finish on materials or merchandise previously plated or finished by others.

- 8. Cost of HPC Material:** HPC shall be released from its agreed to contract price should the acquisition price of any raw material make it commercial impracticable for HPC to complete the job. The parties agree to use the prices available through the current listing of the London Metal Exchange compared to the same listing at the date the HPC agreed to the contract price for the job.
- 9. Non-Insurer:** HPC shall not, under any circumstances, be considered as an insurer of Customer's material or merchandise and shall not be liable, regardless of cause, for loss by fire, explosion, theft, pilferage, vandalism, casualty or acts of God while such material or merchandise is in HPC's possession. The provisions of this section may be altered or modified only by separate written agreement and any liability HPC assumes must be covered by a separate charge for such coverage.
- 10. Quotations:** Quotations are open for acceptance thirty days from issuance. After thirty days and unless otherwise specified, the terms of any Quotations are subject to change without notice.
- 11. Force Majeure:** All quotations, orders, agreements or modifications, , are contingent upon and subject to any and all occurrences beyond HPC's control, including, but not limited to (1) strikes or boycotts (whether occurring at HPC's factory or elsewhere), (2) accidents, (3) thefts, (4) fires, (5) wars, (6) floods, (7) shortages of materials, equipment, casualty, or (8) Acts of God. In these instances, HPC shall be released from all obligations to perform under any agreement with Customer.
- 12. Storage:** The parties agree that any control and/or possession of Customer's product shall be for the benefit of all parties and HPC shall only have a duty of reasonable care for the handling of the Customer's product.
- 13. Use of Containers:** During storage and transportation of Customer's material or merchandise, Customer's containers used for delivery to HPC shall be used for reshipment back to Customer. Any damage resulting from the use of such containers shall be at the Customer's risk. Should Customer request, through a written order, the use of other packaging or containers, HPC will charge for material and handling.
- 14. Ownership:** Any special tools, racks and fixtures, or any other type of requirement, required for the performance of the work for Customer that have been designed or built by HPC, or a contractor at HPC's request, shall be and remain HPC's property, regardless of whether the Customer is charged for time or materials for their construction.
- 15. Change of Ownership:** HPC must be notified by certified mail of any change in ownership, the name or the business structure under which the credit is established.
- 16. Cancellation of Order:** In the event of Customer cancels an order, the Customer shall reimburse HPC for (1) the work already completed,(2) the work in process, and (3) the tooling and engineering expenses incurred in connection with such order.
- 17. Security Interest in Customer's Merchandise and Material:** All Customer's merchandise in HPC's possession shall be subject to a general lien for all monies owed by the Customer to HPC, and regardless of whether or not such monies owed to HPC are for work, labor, materials, or services rendered on any particular order. HPC may retain possession of any of Customer's merchandise or material until Customer has paid HPC in full on any amounts due and owing. Customer waives any claim against HPC for exercising its rights under this Section. Should it be determined that HPC did not have legal grounds to exercise its right under this Section, Customer waives any claims for wrongful bailment, conversion, replevin or other similar claims against HPC.
- 18. Payment:** All invoices are due per HPC payment terms and shall be considered delinquent if past agreed payment terms. C.O.D restrictions may be placed on any delinquent account. All amounts due for purchases are payable to 2282 Albion Street, Toledo, Ohio 43606. C.O.D. restrictions may be placed on any delinquent account. Any amounts due and owing to HPC are and thereafter subject to interest computed by a single monthly periodic rate of 1½ % being an ANNUAL PERCENTAGE RATE OF 18%.
- 19. Default:** In the event of bankruptcy or insolvency proceedings involving Customer, or if Customer is insolvent or fails to perform any obligation arising from the Terms and Conditions, including, but not limited to, default of payment, HPC may, without liability and without prejudice to any other rights or remedies which HPC may have at law or in equity, immediately cease, in whole or in part, further performance by HPC of its obligations arising from this order or the Terms and Conditions. Customer agrees that it shall be responsible to HPC for any reasonable legal fees incurred by HPC to enforce any of the Terms and Conditions against the Customer.

- 20. **Assigning of Claim to Collection Agency:** Should it be necessary to assign any amounts due and owing by Customer to a licensed collection agency or to an attorney for legal action, all subsequent collection charges or legal fees shall be paid by the Customer. HPC reserves the right to place any credit account with an overdue balance on "Shipment Hold".
- 21. **Confidentiality:** Customer agrees not to use or disclose any information to a third person that it now has or may hereafter acquire concerning racking, fixturing, chemical processes or procedures HPC uses in its metal finishing process. If the Customer violates any of the terms of this Section, Customer agrees that any potential harm to HPC is irreparable and HPC shall be entitled to an injunction enjoining any improper disclosure to any third party in addition to any other relief that may be available to HPC.
- 22. **Choice of Law and Consent to Jurisdiction.** The provisions hereof shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflict of law principles. The parties hereby consent to the exclusive jurisdiction and venue of the courts located in Lucas County, Ohio. In the event any provision hereof shall be deemed to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the provisions shall continue in full force and effect.
- 23. **Arbitration.** Other than any action Hale Chrome may file to collect on any unpaid account by Customer, any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration will occur in Lucas County, Ohio, and will take place before one arbitrator.
- 24. **Headings.** The headings contained in these Terms and Conditions are inserted for convenience only and in no way define, limit, or extend the scope or intent of any provision of these Terms and Conditions.
- 25. **Non-Waiver.** Failure of Hale Chrome to insist on performance of any of these Terms and Conditions or requirements of the underlying order, shall not be construed of a waiver of such Terms and Conditions or requirements and shall not affect the right of Hale Chrome thereafter to enforce each and every term, condition or requirement hereof.
- 26. **Integrated Agreement.** The provisions of this Terms and Conditions of Sale constitute the entire agreement between the parties. Any changes, alterations, waivers, or modifications with respect either as to the job performed or the terms of the sale, or any other matter set forth herein must be in writing and signed by a duly authorized representative of Hale Chrome.
- 27. **Authority to Sign.** By signing this Agreement, signatory warrants and guarantees that the signatory has the authority to legally bind the Customer to this Contract.
- 28. **Terms Apply to Future Orders.** Unless otherwise specified, these Terms and Conditions of Sale shall apply to this and any future order or agreement by Customer for the processing of any materials or merchandise.



Agreed to:

Customer

By

Its

Date

HALE CHROME SERVICE, INC., d/b/a Hale
Performance Coatings

By

Its

Date

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