



TERMS AND CONDITIONS OF SALE

ORDERS AND PROPOSALS: Orders become binding when accepted by an authorized officer of Aeromet Industries, Inc. (hereafter "Seller") coupled with a written acknowledgment on Seller's form. Proposals become binding when accepted by the Buyer according to the terms of the proposal. Verbal quotations are binding on Seller only when confirmed in writing and the terms of the written confirmation of such verbal quotations shall govern. Any stenographic or clerical errors are subject to correction by Seller.

APPLICATION OF TERMS: The provisions on the front and back of this document shall apply to this transaction. Each of such provisions shall be of equal force and effect. None of the terms contained herein may be altered except in writing signed by an authorized agent of Seller and Buyer.

SELLER'S PROPOSALS: Any proposal by the Seller and prices contained therein shall remain valid for thirty (30) days from the date of the proposal. Prior to acceptance of the proposal, its terms and conditions may be changed by written notification to the Buyer. Projected completion and shipping dates are approximate and are based upon prompt receipt of an order which does not vary the terms of this proposal and the prompt supplying of all drawings, dimensions and materials to be furnished by the customer, along with complete instructions for processing all drawings, dimensions and material when furnished by the customer.

PRICE AND TERMS OF PAY: Prices are F.O.B. Seller's plant, freight collect unless delivered by Seller's trucks. Unless otherwise agreed, a cash discount of one-half of 1% of the net invoice price shall be allowed for payments made no more than ten (10) days after invoice. Thereafter, payment in full is due within thirty (30) days of receipt of an invoice and amounts unpaid after thirty (30) days shall be increased by 1 ½% per month to the date of payment. All prices set forth herein do not include sales, use or other taxes. Such taxes, when applicable, shall be added to the invoices and shall be payable unless Seller is furnished with a tax exemption certificate acceptable to the taxing authorities having jurisdiction.

SHIPPING AND DELIVERY: Unless otherwise specifically stated, materials will be shipped, upon completion, by any public carrier which Sellers deems satisfactory. Upon delivery in good order to the carrier, Seller's responsibility shall cease. Delivery is not guaranteed to the destination and claims for shortages, or damages in transit must be made by the Buyer to the carrier before the goods are unloaded. Time of delivery is not the essence of this transaction unless specifically noted in writing. Acceptance by Buyer of any goods shall constitute a waiver by Buyer of any claim for damages on account of any delay in delivery of such goods.

WARRANTY: Seller warrants its work to be free of defects and that its work conforms to the specifications of Buyer. The obligation under this warranty is limited to repairing or, at Seller's discretion, replacing any parts proving defective. Seller shall not be responsible for any costs incident to removing or replacing other parts deemed necessary to reach the defective part. In no event shall this warranty be deemed to cover or obligate Seller in any way regarding items or components not actually worked on by Seller.

Any misuse, improper installation, maintenance, lubrication, or unusual application of the products shall void this warranty. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MATERIALS SUPPLIED BY OTHERS: In the event Seller's proposal or Buyer's purchase order includes materials, supplies, drawings or specifications to be supplied by others, prices and delivery schedules are based on the prompt receipt of such items in accordance with given specifications freight prepaid to

Seller's plant. If receipt of material or other items supplied is delayed, through no fault of the Seller, or is defective or not in accord with specifications, Seller reserves the right to increase its charges to correct such defects or failure to meet specifications or to terminate this proposal without further responsibility. Seller assumes no responsibility for such materials which are damaged or destroyed by fire, storm, flood, or other disasters beyond its control. Should Seller have the misfortune to spoil any material furnished by the customer, Seller can only assume the cost of correcting any such spoilage.

REJECTIONS: Any claim for improper or defective work must be submitted to Seller's office in writing within fifteen (15) days of receipt of the material. Seller reserves the right to investigate claims at the customer's plant or at such other location specified by it.

Seller's obligation to correct any defect shall cease if the material is worked on by others without Seller's written permission or if the material is abused in any manner. No material may be returned to Seller without its prior written consent. If Seller accepts a claim, it is Seller's option to return the material to its plant for correction or have it delivered elsewhere for such repairs. No claims for alleged defects which do not impair satisfactory use of the material will be honored.

LIABILITY: Any damages to Seller's products occurring because of improper storage or handling by shippers or customers shall relieve Seller of any responsibility to correct alleged defects. Completion and shipment may be subject to delays due to causes beyond Seller's reasonable control or that of Seller's suppliers, including, without limitation, strikes, accidents, fires or other casualties and acts of governmental agencies. Under no circumstances will Seller be liable for damages attributable to late delivery or loss of use. Further, Seller shall not be responsible or liable for any direct, indirect, consequential, contingent or incidental damages whatsoever arising or resulting from the failure or improper functioning of any of Seller's products.

CANCELLATIONS AND DEFERRED DELIVERIES:

(1) Orders cannot be cancelled, nor can deliveries of finished goods or in process be deferred beyond the original delivery dates specified without Seller's written consent and upon terms which shall indemnify Seller against all loss.

(2) Should shipment of an order be delayed beyond the originally scheduled shipping date for the convenience of Buyer or because of lack of shipping instructions or non receipt of Buyer's material, such an order will be referred to as "held" equipment. Material on "held" equipment orders will be stored at the Buyer's risk and subject to storage charges for the period held.

Uncompleted "held" orders may be released and continued subject to the prices, schedule, and conditions which apply to a new order entered on the date the "held" order is continued.

SECURITY: Seller reserved the right to require payment for any shipment hereunder in advance, or satisfactory security, if the financial responsibility of Buyer becomes unsatisfactory to Seller. If Buyer fails to make payment in accordance with the terms of this agreement, or fails to comply with any provision hereof, Seller may, at its option, (and in addition to other remedies) cancel any unshipped portion of this order. Buyer to remain liable for all unpaid accounts.

WAIVER: Waiver by Seller of any breach of these terms and conditions shall not be construed as a waiver of any other breach, and failure to exercise any right arising from any default hereunder shall not be deemed a waiver of such right which may be exercised at any subsequent time.