



TERMS AND CONDITIONS – CONTRACT FOR SALE OF GOODS

The following Terms and Conditions constitute and govern the contractual relationship for the sale of goods (Goods) between Superior Crankshaft, LP (Seller) and the person or business entity buying the Goods (Buyer) described on the corresponding purchase order (Contract or Order), which is incorporated herein by reference.

1. Application, Quotations and Acceptance. These conditions shall govern and be incorporated in every Contract made by or on behalf of the Seller with a Buyer and shall prevail over any supplemental, inconsistent or conflicting terms or conditions contained or referred to in any documentation submitted by the Buyer or in correspondence or elsewhere or implied by trade, custom, practice, course of dealing, or usage in the trade. Acceptance by the Buyer of delivery of the Goods shall constitute unqualified acceptance of these terms and conditions. A variation of these conditions is valid only if it is in writing and signed by an authorized representative of Seller accepts Buyer's Order. A quotation by the Seller does not constitute an offer and the Seller may withdraw or revise a quotation at any time before accepting the Buyer's order. The Seller's acceptance of any oral or written order from the Buyer shall be effective only where such acceptance is in writing (on the Seller's order acceptance form) and signed by an authorized representative of the Seller.

2. Price. The prices payable for the Goods are as listed in the Seller's published list of prices current at the time Seller accepts Buyer's Order. The Seller may at any time prior to delivery of the Goods revise prices to take account of increases in its own costs including, without limitation, the costs of any goods, material, carriage, labor or overheads, the increase or imposition of any tax, duty or other levy and any variation in exchange rate. Unless otherwise specified, any tax or duty assessed on the sale of goods Buyer shall be added to the price, and packaging, freight and insurance shall be charged additionally.

3. Payment. Payment of invoices shall be made in full within 30 days of invoice. Time shall be of the essence of payment. The Seller may suspend the supply of Goods to the Buyer where any amounts are overdue under any Contract until all such amounts have been paid. Interest is payable on overdue accounts at the rate of (1.5) percent, compounded monthly, until paid in full. If either party seeks legal recourse to impose its rights hereunder, the prevailing party shall be entitled to an amount of costs, including attorney's fees. If in the Seller's opinion the Buyer's creditworthiness deteriorates before delivery of the Goods, the Seller may require full or partial payment of the price prior to delivery or the provision of security by the Buyer in a form acceptable to the Seller. Notwithstanding any contrary act of the Buyer, all payments made by the Buyer to the Seller shall be applied first to Goods which the Buyer has resold and then to Goods, which remain in the possession or under the control of the Buyer.

4. Titles and Risk. Risk of loss passes on delivery of the Goods. Notwithstanding delivery and passing of risk, the Goods remain the property of the Seller until the Buyer pays to the Seller the agreed price for the Goods (together with any accrued interest) and no other sums whatever is due from the Buyer to the Seller. Until title to the goods passes to the Buyer, the Buyer shall hold the Goods on a fiduciary basis and shall not part with possession of the goods otherwise than in the ordinary course of business, take proper care of the Goods and take all reasonable steps to prevent damage to or deterioration of them, keep the Goods free from any charge, lien or other encumbrance and segregate the Goods in such a way as to show clearly that they belong to the Seller. From delivery until title to the Goods passes to the Buyer, the Buyer shall insure the Goods for their full value with a reputable insurer and, upon request, shall use reasonable endeavors to have the Seller's interest in the Goods noted on the insurance policy.

Until the title to the Goods passes to the Buyer, the Buyer shall hold the proceeds of any claim on the insurance policy on trust for the Seller and shall immediately account to the Seller with the proceeds. The Seller reserves the right to repossess and resell any of the Goods for which Seller has not been paid in full. The Buyer hereby grants to Seller a purchase money security interest in all Goods sold hereunder until such time as payment is made in full for the Goods. The Security interest applies not only to the Goods purchased, but also to the proceeds of sale of the Goods. Buyer shall take all reasonable steps and cooperate with the Seller in perfecting Seller's Security interest in the Goods.

5. Delivery. Any delivery date given by the Seller is approximate only and the Seller shall not be liable to the Buyer for failure to deliver on any particular date or dates. Time for delivery is not of the essence and shall not be made so by the service of any notice. Delivery shall be F.O.B. Seller's plant unless otherwise agreed by the Seller. The Seller will make an additional charge for delivery to other premises. If the Buyer refuses or fails to take delivery of Goods tendered in accordance with the Contract,

The Seller may terminate the Contract, may dispose of the Goods as it sees fit and may recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure (including, without limitation, storage costs from the due date of delivery). Unless agreed otherwise by the Seller, the Goods may be delivered in installments and each such installment shall be treated as a separate Contract. The Seller is deemed to have fulfilled its obligations even though the quantity delivered may be up to (ten) percent, more or less, than the specified in the Contract. The Buyer shall pay for the actual quantity delivered.

6. Force Majeure. If the Seller is prevented, hindered or delayed from or in supplying the Goods in accordance with these conditions by any event or circumstance beyond the reasonable control of the Seller (including without limitation, strikes, lockouts and industrial disputes relating to the Seller's workforce) the Seller may at its option suspend deliveries while such event or circumstance continues, apportion available stocks between its customers as it decides and terminate any contract so affected with immediate effect by written notice to the Buyer.

7. Packaging. The Buyer shall pay the cost of any special packaging which it may request which may be necessitated by delivery by any means other than the Seller's ordinary means of delivery. The Seller is entitled to invoice the Buyer for the cost of all pallets and of returnable packaging materials unless they are returned to the Seller at the Buyer's expense in good condition within 7 days of the date of delivery.

8. Specifications. All drawings, designs, specifications and particulars submitted by the Seller are approximate only; these materials shall be treated as confidential and shall not be disclosed to any third party without the Seller's written consent or used by the Buyer other than for purposes authorized by the Seller. The Seller accepts no responsibility for any errors, omissions or other defects in any drawings, designs or specifications not prepared by the Seller.

9. Liability. The Seller is not liable to the Buyer for late delivery, for incorrect quantities, for defects in the Goods caused by normal wear and tear, or unsuitable conditions of storage or use; nor shall Seller be liable for any act, neglect or default of the Buyer unless the Buyer notifies the Seller within 7 days of Delivery. If such notice is given, Seller's only obligation is at its option to make good any shortage or non-delivery, to replace or repair any Goods found to be damaged or defective or to refund to the Buyer the amount paid by the Buyer for the Goods the subject of

a claim under condition. The Seller is not liable for any loss, damage or liability or any kind suffered by any third party directly or indirectly caused by repairs or remedial work. The Seller's aggregate liability to the Buyer, whether for negligence, breach of contract, misrepresentation or otherwise, shall in no circumstances exceed the purchase price of the Goods as determined by the net price invoiced to the Buyer with respect of any occurrence or series of occurrences.

10. Warranties. Seller warrants that the Goods sold under this Contract will conform in all material respects with the specifications provided by the Buyer. It is the intent of the parties to this Contract to fully and completely state the rights and obligations of the parties in this contact, and Seller has specifically set forth in this Contract the extent and nature of the warranty on the Goods to be sold; there are no other warranties or representations with respect to the nature or quality of the Goods. It is expressly understood that the liability of the Seller will be limited to the replacement and repair of the Goods. Any other warranty is agreed to be inconsistent with the stated warranty, and it is the intent of the parties hereto to specifically **DISCLAIM THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS.** The Seller is not liable to the Buyer for any loss, damage or injury, direct or indirect, resulting from defects in design, materials or workmanship or otherwise caused, however, arising (and whether or not caused by the negligence of the Seller, its employees or agents). The Seller is not liable for any indirect or consequential losses or expenses suffered by the Buyer, however caused, and including, without limitation, loss of anticipated profits, goodwill, reputation, business receipts or contracts, or losses or expenses resulting from third party claims.

11. Export Sales. If the Goods are sold C.I.F. or F.O.B. or on the basis of other international trade terms, the meaning given to such terms shall be those in the California Commercial Code from time to time applied unless inconsistent with any of the provisions in these conditions.

12. Licenses and Consents. If a license or consent of any third party (including, without limitation, any governmental or other authority) is required in connection with the Buyer's purchase or use of the Goods, the Buyer shall obtain the license or consent at its own expense and produce evidence of it to the Seller on demand. Failure to obtain any license or consent does not entitle the Buyer to withhold or delay payment of the price. Any additional expenses or charges incurred by the Seller resulting from such failure shall be paid by the Buyer.

13. Confidentiality. Each of the parties hereto undertakes to the other to keep confidential all information (written or oral) concerning the business and affairs of the other that it shall have obtained as a result of the discussions leading up to or the entering into or implementation of this Contract, or which it may have learned during the term of this Contract other than information which is already in its possession other than as a result of a breach of this clause, and in the public domain other than as a result of a breach of this clause. Each of the parties undertakes to the other to take all such steps as shall be necessary from time to time to ensure compliance with the provisions of this clause by its employees, agents and sub-contractors and other companies within the group of companies to which it belongs.

14. Assignment. The Buyer may not assign or transfer, or purpose to assign or transfer, any of its rights or obligations under a Contract without the Seller's prior written consent.

15. Governing Law and Jurisdiction. These conditions and any Contract made under them shall be governed by and construed in accordance with California law and the courts of the State of California, County of Los Angeles, shall have exclusive jurisdiction.

Received by: _____ Signature _____ Name _____ Date _____ Company _____