

National Machinery LLC
TERMS AND CONDITIONS OF SALE
SERVICE and CONTRACT MACHINING

I. WARRANTY and DISCLAIMERS -

National Machinery LLC ("NATIONAL MACHINERY") agrees to perform the services in accordance with NATIONAL MACHINERY's standards and procedures in effect at the time of service. If BUYER believes any work performed does not conform to these standards, BUYER agrees to notify NATIONAL MACHINERY in writing within 48 hours of discovering the basis for any such claim. NATIONAL MACHINERY will, in any such event, review the matter and, in the event of any nonconformity to the warranty set forth in the first sentence of this Section, NATIONAL MACHINERY will, as its sole liability for a breach of such warranty, either provide services that satisfy this warranty or refund the price paid by BUYER for the affected goods and/or services.

BUYER acknowledges and agrees that maintenance and/or repair services (including inspections) and the provision of replacement parts cannot prevent equipment malfunctions and breakdowns and that NATIONAL MACHINERY does not guarantee that equipment on which services (including inspections) are performed and/or replacement parts are installed will operate for any particular period of time or meet any particular performance standards during or following the provision of such services.

If BUYER becomes aware of noncompliance with current OSHA, 2006/42/EC Directive on Machinery Safety ANSI B11.7, and NEC regulations with regard to machinery, BUYER shall notify NATIONAL MACHINERY and NATIONAL MACHINERY shall, at BUYER's expense, make necessary repairs or modifications. NATIONAL MACHINERY does not undertake to evaluate or make recommendations with respect to compliance with OSHA or other safety rules, regulations and/or standards, governmental or otherwise, as to any equipment on which services are performed or replacement parts installed.

THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE SET FORTH HEREIN WITH RESPECT TO THE GOODS AND/OR SERVICES PROVIDED BY NATIONAL MACHINERY. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY GOODS AND/OR SERVICES PROVIDED BY NATIONAL MACHINERY AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. BUYER ACKNOWLEDGES THERE HAVE BEEN NO PROMISES OR REPRESENTATIONS MADE BY OR ON BEHALF OF NATIONAL MACHINERY THAT ARE NOT EXPRESSLY SET FORTH HEREIN.

II. LIMITATION OF LIABILITY -

IN NO EVENT SHALL NATIONAL MACHINERY BE LIABLE FOR LOST OR ANTICIPATED PROFITS OR FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNATIVE DAMAGES. NATIONAL MACHINERY'S LIABILITY ON ANY CLAIM OF ANY KIND, SHALL IN NO CASE EXCEED THE PRICE PAID BY BUYER ALLOCABLE TO THE GOODS OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM. NATIONAL MACHINERY SHALL NOT BE LIABLE FOR PENALTIES OF ANY DESCRIPTION.

It is agreed that, in the event of any claim for personal injury, death or property damage relating to any goods and/or services provided by NATIONAL MACHINERY by any person(s) or entity(ies), NATIONAL MACHINERY shall have the benefit of any defense and/or ground for avoidance of liability in whole or in part under any applicable law and/or legal or equitable doctrine including, without limitation, contributory negligence.

III. AVAILABILITY OF SERVICE -

NATIONAL MACHINERY agrees to make a reasonable effort to meet scheduled service appointments and to respond to special or emergency service requests in a timely manner. However, NATIONAL MACHINERY does not guarantee a specific response time and NATIONAL MACHINERY shall have no liability for not performing any service at a given time. NATIONAL MACHINERY reserves the right to allocate its personnel and other resources at its sole discretion.

Regular working hours are 6:00 AM to 6:00 PM, Monday through Friday, excluding holidays observed by NATIONAL MACHINERY. NATIONAL MACHINERY will not be required to provide service outside such hours, but may do so if requested by BUYER. All work performed outside such regular hours will be performed on an overtime basis and BUYER agrees to pay for such work at NATIONAL MACHINERY's overtime rates in effect at the time.

IV. PRICE AND PAYMENT -

Unless otherwise stated, quotations for service are estimates only. Services provided will be invoiced according to actual hours worked, at NATIONAL MACHINERY'S current standard hourly rates in effect at the time service is rendered, as well as applicable travel and living expenses, and are due and payable in full upon receipt of invoice.

BUYER shall pay, in addition to the price stated, a sum equal to the amount of any taxes in whatever form the same may now or hereafter be exacted from NATIONAL MACHINERY on account hereof.

BUYER agrees to pay NATIONAL MACHINERY interest at a rate of one and one-half percent (1-1/2%) per month, or the highest rate then permitted by law, whichever is less, for all amounts not paid within thirty (30) days from date of invoice and for all costs, including reasonable attorneys' fees and disbursements, incurred by NATIONAL MACHINERY to collect such overdue amounts.

V. INSURANCE COVERAGE-

NATIONAL MACHINERY is insured at all locations where it undertakes business operations for the types of insurance and limits of liability as follows:

Workers' Compensation and Employer's Liability: Equal to or in excess of limits of Worker's Compensation laws in all states and the District of Columbia.

Comprehensive Liability: Up to Two Million Dollars (\$2,000,000.00) limit per single occurrence.

VI. WORKPLACE -

BUYER agrees to provide a safe workplace for NATIONAL MACHINERY'S personnel, and to remove any hazardous materials in accordance with applicable laws and regulations.

It is agreed that NATIONAL MACHINERY does not assume possession or control of any part of the equipment, that BUYER remains solely as the owner, lessee or agent of the owner or lessee, and that BUYER is solely responsible for all requirements imposed by any federal, state and local law, ordinance or regulation. BUYER agrees to immediately discontinue the equipment from service when the equipment operates in a manner that may cause injury to the user thereof, or becomes unsafe, and to maintain surveillance of the equipment for such purposes.

VII. INDEMNIFICATION -

BUYER shall indemnify NATIONAL MACHINERY from and against all claims for loss or damage of any kind or for injury to any person or property and any expenses, including attorney's fees resulting therefrom) arising out of, or in any way related to (1) design, to the extent the goods were manufactured to the BUYER's design of the goods purchased hereunder (See National Machinery LLC Terms and Conditions of Sale), and (2) injuries to NATIONAL MACHINERY'S employees or agents occurring on or proximate to BUYER's premises, whether such claims are based on the negligence, breach of warranty or strict tort liability of NATIONAL MACHINERY or otherwise. Upon demand by NATIONAL MACHINERY, BUYER will assume the defense of any such claim.

VIII. NONSOLICITATION -

BUYER acknowledges that NATIONAL MACHINERY has invested, and will continue to invest, significant time and money to recruit and retain its employees. BUYER agrees not to, directly or indirectly, (1) solicit for employment or for the performance of services, (2) offer or cause to be offered employment or other service agreement, or (3) approach, contact, or induce for leave of employment any employee of NATIONAL MACHINERY during the term of his or her employment with NATIONAL MACHINERY and for a period of two years following his or her termination of employment from NATIONAL MACHINERY.

For purposes of this clause, "NATIONAL MACHINERY" collectively identifies National Machinery LLC (an Ohio limited liability company), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.

VIII. OTHER TERMS AND CONDITIONS -

No work, service or liability on the part of NATIONAL MACHINERY, other than that specifically mentioned herein, is included or intended. NATIONAL MACHINERY shall not be required to make any replacements with components of a different design, nor to specially fabricate replacement parts that are no longer stocked by the original supplier-nor regularly available from any other source, or modernize the equipment.

Should BUYER accept this Agreement in the form of a purchase order, the terms and conditions of this Agreement will take precedence over those of the purchase order and all additional and inconsistent terms in such purchase order are hereby rejected.

It is understood and agreed that this proposal and BUYER acceptance thereof shall constitute, exclusively and entirely, the contract for the service herein described; that all other prior representations or Agreements, whether written or verbal, shall be deemed to be merged herein and that no other changes in or additions to this Agreement shall be recognized unless made in writing and signed by both parties, and that this Agreement is not binding upon NATIONAL MACHINERY until approved by one of its authorized representatives.