

314 NORTH JACKSON STREET,
JACKSON, MICHIGAN 49201
P: 517-787-3791
F: 517-787-7677

CRANKSHAFT MACHINE COMPANY
U.S. BROACH MACHINE
U.S. BROACH TOOL
SWISHER FINISHING SYSTEMS
LINDBERG FLUID POWER

Crankshaft Machine Group / U.S. Broach Machine & Tool General Terms and Conditions.

1. TAXES – All domestic prices are quoted f.o.b. Jackson, Michigan (U.S.A.) and do not include sales, use, excise, or similar taxes or custom duties. Consequently, the amount of any present or future sales, use, excise, or other similar tax or custom duties applicable to the sale of the machinery or equipment must be paid or reimbursed to CMG by Purchaser, or Purchaser must provide us with a tax-exempt certificate acceptable to the taxing authorities. In regard to International sales, prices are quoted EXW: Jackson, Michigan (U.S.A.) in compliance with the International Chamber of Commerce-Incoterm 2010 definitions. EXW (and location added) is defined as, Buyer bearing all risk and cost when picking up or shipping final items from Seller's premise until items are delivered to Buyer's desired location. Seller must load and clear all items for export.

2. SHIPPING – U.P.S., Parcel Post, and Express shipments will be insured at Purchaser's expense. Other shipments will not be insured unless so specified by Purchaser.

3. PAYMENT – Terms as stated in quotation. Cash in United States funds at par in Michigan unless otherwise specified in writing. No allowance for cash discount. If machinery or equipment is ready for shipment and cannot be shipped because of Purchaser's request or for any other reason beyond our control, payment must be made according to quoted terms, and the unpaid balance will be subject to a ½ percent per month service charge. Seller must receive final payment per the quoted terms or Seller may decline acceptance of field service and/or parts orders.

4. STORAGE – Storage of materials or work in progress, finished or unfinished, is solely at Purchaser's risk and expense and without liability to Seller.

5. INSTALLATION AND START - UP – Start-up of the machine must be in the presence of and with the express authorization of a CMG Service Engineer. BREACH OF THIS CONDITION OF SALE WILL VOID ALL WARRANTIES FOR THE MACHINE. The machinery must be installed by and at the expense of the Purchaser unless otherwise agreed by Seller in writing. Purchaser cannot begin using the machine until installation, acceptance, and sign-off of the machine on Purchaser's floor by an authorized representative of seller. Installation and final runoff will be conducted no later than 30 days following receipt of the equipment at the Purchaser's location. Seller is only responsible for start-up of the machine. Seller is not responsible for determining if the

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placement or location of the machine or the work station serving it is appropriate, machine guarding, or safety training of workers using the machine or equipment. Purchaser must use and require its employees to use and follow all regulations, guards, safety devices, and operating instructions provided with the product or imposed by law or applicable industry standards.

6. WARRANTIES – Unless otherwise agreed in writing, Seller warrants the machinery or equipment manufactured by Seller against defects in material and workmanship for two (2) years from the date of start-up when used under the applications and service conditions for which it was designed, but only if the Purchaser provides all maintenance as required in the installation and maintenance instructions. Any claim for warranty repair must be made by Purchaser in writing during the warranty period promptly following discovery of the alleged non-conformity. Repair or replacement is Purchaser's sole and exclusive remedy. The provisions in the specification attached and the estimated weights specifying the materials required for fabrications are descriptive and not intended as warranties.

RETURN POLICY- The following statements apply specifically to each of CMG's product lines- U.S. Broach Machine & Tool, Swisher Finishing Systems, Lindberg Fluid Power, and Crankshaft Machine Company, as follows:

A. All products the Purchaser supplies to a Third Party shall require the Third Party to bind to agreement of these Terms and Conditions. If Purchaser does not obtain this agreement, Purchaser must hold CMG harmless from or against all claims made by the Third Party in excess from this limitations and exclusions of these Terms and Conditions.

B. All Tools must be returned by requesting a Return Authorization Number (RAN) from CMG with a written reason for return for evaluation for possible Warranty conditions, or Repair, or Refund. All Tools must have a written/typed Shipper/Packing Slip specifying reason for return, Previous Purchase Order Number, Previous CMG Job Number, and RAN within shipment packaging.

7. WARRANTY DISCLAIMER – The Warranty is void if machinery or equipment, including controlling software, if applicable:

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A. is not used in accordance with the specification and instructions provided by Seller, or in the case of refurbished machinery and equipment, the Seller and/or original manufacturer;

B. is altered, misused, neglected, not properly maintained, repaired, or modified by anyone other than Seller without Seller's written permission; or,

C. is installed and the start-up of the machine is not in the presence and with the express authorization of a CMG service engineer.

EXCEPT AS PROVIDED ABOVE, SELLER MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, IN CONNECTION WITH THE MACHINE, EQUIPMENT, OR THE GOODS AND SERVICES.

IN NO EVENT WILL SELLER BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF USE, LOST PROFITS, OR LOSS OF GOODWILL EVEN IF SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ALL CASES, PURCHASER'S RECOVERY IS LIMITED TO THE AMOUNT PAID BY PURCHASER UNDER THIS ORDER. THERE ARE NO ORAL AGREEMENTS OR WARRANTIES AFFECTING THIS MACHINE OR EQUIPMENT.

8. INTERNATIONAL WARRANTY REPAIR AND REPLACEMENT POLICY – If the product, component, or machine is shipped to an international location or affiliate during the warranty period, travel expenses, including lodging, and labor will be charged to Purchaser. Purchaser will not be charged for parts.

9. AUXILIARY EQUIPMENT WARRANTIES – All auxiliary equipment and components purchased from others and furnished by Seller, including software, is warranted only to the extent of the warranties of the original manufacturer. It is the Purchaser's responsibility to ship the auxiliary equipment to Seller via an insured and prepaid freight service. Seller will forward to the respective supplier for warranty service.

10. MATERIAL FURNISHED BY PURCHASER – When Purchaser furnishes material, Seller will in no event be liable, beyond the value of work performed by the Seller, for damage to such material. Purchaser must reimburse Seller for extra or wasted work and cost of replacement incurred because of defective material supplied by Purchaser. Seller

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will strictly adhere to Purchaser supplied designs, drawings, or specifications. The Seller has no responsibility for determining the suitability of any designs or applications provided by Purchaser.

11. DELIVERY SCHEDULE – Delivery times specified are only Seller’s best estimate and are based from receipt of all final engineering and manufacturing information. Seller will not be liable, directly or indirectly, for delay in deliveries beyond its control including, without limitation, an Act of God, war or national emergency, fire, flood, explosion, shortage of necessary materials, labor disputes, embargo, riot, natural disaster or difficulties however caused, export, import, exchange or other governmental regulations or restrictions (“Force Majeure”). Purchaser may not cancel because of delays due to a Force Majeure event. Any added expenses incurred by Seller because of delays in receipt of details, specifications and other pertinent information or because of changes requested by Purchaser, are chargeable to the Purchaser.

12. CANCELLATION – If Purchaser suspends work on an order and does not reinstate it within thirty (30) days, Seller will consider the order canceled and will invoice Purchaser for the portion of work completed plus an amount equal to ten (10) percent of the total contract price.

13. GOVERNMENT PRIORITIES – Terms concerning delivery and materials are subject to government priorities and restrictions. Purchaser must inform Seller if any order involves a government contract and advise of the contract number and applicability of renegotiations.

14. ACCEPTANCE OF ORDER – Orders are subject to acceptance only by an officer of Crankshaft Machine Group in Jackson, Michigan, U.S.A. ANY TERMS AND CONDITIONS IN ANY DOCUMENTS SUBMITTED BY PURCHASER INCLUDING, BUT NOT LIMITED TO, PURCHASER’S PURCHASE ORDERS, ARE SPECIFICALLY REJECTED, AND PURCHASER AGREES THAT THESE TERMS AND CONDITIONS WILL CONTROL AS BETWEEN THE PARTIES.

15. NON-COMPLIANCE WITH SAFETY CODES OR REGULATIONS – Seller does not warrant that this equipment will meet or comply with the requirements of any safety code or regulation of any state, municipality, or any other jurisdiction, including the federal or state Occupational Safety and Health Act. The applicability of such codes, regulations, or acts, is the responsibility of Purchaser. Any requirements for the machine or equipment must be identified to Seller in writing by Purchaser. Any

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modifications to the machine required for compliance will be pursuant to a quotation submitted for such changes and only to the extent requested by Purchaser.

16. INDEMNIFICATION BY PURCHASER – Purchaser agrees to defend, indemnify, and hold Seller, its directors, officers, employees, and parent company, Avis Industrial Corporation, harmless from any and all liability, losses, expenses, or damages which Seller may suffer as a result of claims, suits, demands, costs, legal fees, or judgments incurred by or against Seller arising out of or due to any use whatsoever of the machinery and equipment including, but not limited to:

1. The failure of Purchaser, Purchaser's officers, agents or employees, or Purchaser's vendors to follow manufacturer's instructions, warnings or recommendations.
2. The failure of Purchaser, Purchaser's officers, agents or employees, or Purchaser's vendors to comply with Federal, State, or Local Laws and regulations applicable to the use of such machinery or equipment including, but not limited to, the 1970 Occupational and Health Act as amended; and,
3. The failure of purchaser to comply with applicable industry safety practices.
4. The Purchaser's supplied designs, including all drawings and specifications or application thereof.