

CAST NYLONS LIMITED
GENERAL TERMS AND CONDITIONS OF SALE

The following General Terms and Conditions of Sale are applicable to the sale of all goods supplied or services rendered by Cast Nylons Co., Ltd., an Ohio corporation ("Seller"), to any purchaser thereof ("Buyer"). All orders are subject to approval by Seller at its offices in Willoughby, Ohio. Buyer's order shall not be binding upon Seller unless and until such order is accepted by Seller in writing. Upon Seller's acceptance of Buyer's order, the terms and provisions set forth herein shall constitute the entire agreement between Buyer and Seller and no statement, correspondence, sample or other terms shall modify or affect the terms hereof. No course of prior dealings between the parties or usage in the trade shall be relevant to supplement or explain any term used in this Agreement. No waiver or alteration of terms herein shall be binding unless agreed to in writing and signed by both parties. No modification or waiver of any of these conditions of sale shall be binding upon Seller unless approved by Seller in writing. **ANY CONFLICTING WARRANTIES, TERMS AND CONDITIONS IN THE PURCHASE ORDER OR ANY OTHER BUYER'S DOCUMENT ARE SPECIFICALLY REJECTED BY SELLER.**

1. **PRICE; PAYMENT.** All prices are F.O.B. Seller's plant, Willoughby, Ohio unless otherwise specifically set forth on the face side hereof. Invoices for goods and services shall be due and payable net thirty (30) days from date of invoice. Prices stated are subject to change without notice in the event of: (a) alterations in specifications, quantities, designs or delivery schedules; (b) increases in the cost of fuel, power, material, supplies, or labor; or (c) foreign or domestic legislation enacted by any level of government, including tax legislation, which increases the costs of producing, warehousing, or selling the Goods, as defined herein below, purchased hereunder. No discount will be allowed unless specifically set forth on the face side hereof. Buyer agrees to pay a delinquency charge of 1-1/2% per month, or if such rate shall exceed the maximum rate allowed by applicable law, than a delinquency charge calculated at such maximum rate, on the outstanding balances not paid when due, from the date such balances were due until payment with respect thereof is made in full. Until the purchase price and all other sums due pursuant hereof are paid in full, Seller retains a security interest in the materials described on the face hereof (herein sometimes referred to as "Goods") and in all proceeds of said Goods. Buyer shall execute financing statement(s) on request and irrevocably authorizes Seller to execute and file same.
2. **WARRANTY. SELLER WARRANTS GOODS MANUFACTURED BY IT WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP FOR SIXTY (60) DAYS FOLLOWING THE DATE OF SHIPMENT. IF ANY OF THE GOODS ARE FOUND BY THE SELLER TO BE DEFECTIVE, SUCH GOODS WILL BE REPLACED AT SELLER'S COST. THE PARTIES HERETO EXPRESSLY AGREE THAT BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST THE SELLER SHALL BE FOR THE REPLACEMENT OF DEFECTIVE GOODS AS PROVIDED HEREIN. THE SOLE PURPOSE OF THIS STIPULATED EXCLUSIVE REMEDY SHALL BE TO PROVIDE THE BUYER WITH FREE REPLACEMENT OF THE DEFECTIVE GOODS IN THE PRESCRIBED MANNER. NOTWITHSTANDING THE FOREGOING WARRANTY, SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE OR ANY OTHER EXPRESS WARRANTIES OR REPRESENTATIONS, RELATING OR PERTAINING TO GOODS SOLD OR SERVICES PERFORMED HEREUNDER. FURTHER, SELLER SHALL NOT BE LIABLE FOR ANY LIABILITY ATTRIBUTABLE, IN WHOLE OR IN PART, TO MATERIALS, PARTS OR COMPONENTS MANUFACTURED BY THIRD-PARTIES WHICH ARE INCORPORATED INTO THE GOODS BASED ON SPECIFICATIONS PROVIDED BY BUYER. NO AFFIRMATION OF SELLER, BY WORDS OR ACTION, OTHER THAN AS SET FORTH IN THIS SECTION 2 SHALL CONSTITUTE A WARRANTY. GOODS WHICH MAY BE SOLD BY SELLER BUT WHICH ARE NOT MANUFACTURED BY SELLER ARE NOT WARRANTED BY SELLER, BUT ARE SOLD ONLY WITH THE WARRANTIES, IF ANY, OF THE MANUFACTURERS THEREOF. THIS WARRANTY DOES NOT COVER LABOR OR OTHER COSTS OR EXPENSES TO MOVE, REMOVE OR INSTALL ANY DEFECTIVE OR REPLACED GOODS, SELLER'S MODIFICATION (INCLUDING BUT NOT LIMITED TO USE OF UNAUTHORIZED PARTS OR ATTACHMENTS), OR ADJUSTMENTS OR REPAIR PERFORMED BY ANYONE OTHER THAN SELLER OR ONE OF SELLER'S AUTHORIZED AGENTS. ANY CLAIM BY BUYER WITH REFERENCE TO THE GOODS SOLD HEREUNDER SHALL BE DEEMED WAIVED BY THE BUYER UNLESS SUBMITTED IN WRITING TO SELLER WITHIN THE EARLIER OF: (a) THIRTY (30) DAYS FOLLOWING THE DATE BUYER DISCOVERED OR BY REASONABLE INSPECTION SHOULD HAVE DISCOVERED ANY CLAIMED BREACH OF THE FOREGOING WARRANTY; OR (b) NINETY (90) DAYS FOLLOWING THE DATE OF SHIPMENT. ANY CAUSE OF ACTION FOR BREACH OF THE FOREGOING WARRANTY SHALL BE BROUGHT WITHIN ONE YEAR FROM THE DATE THE ALLEGED BREACH WAS DISCOVERED OR SHOULD HAVE BEEN DISCOVERED, WHICHEVER OCCURS FIRST.**
3. **LIMITATION LIABILITY. SELLER'S LIABILITY FOR ITS GOODS UNDER ALL THEORIES OF LIABILITY SHALL BE LIMITED TO REPLACING THOSE FOUND BY SELLER TO BE DEFECTIVE, OR AT SELLER'S OPTION, TO REFUNDING THE PURCHASE PRICE OF SUCH GOODS. AT SELLER'S REQUEST, BUYER WILL SEND, AT BUYER'S SOLE EXPENSE, ANY ALLEGEDLY DEFECTIVE GOODS TO THE PLANT OF SELLER WHICH MANUFACTURED THEM.**
4. **DISCLAIMER OF CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL SELLER BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HEREWITH. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE, WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON, OR LOSS OR DAMAGE TO PROPERTY (INCLUDING WITHOUT LIMITATION PROPERTY HANDLED OR PROCESSED BY THE USE OF THE GOODS). BUYER SHALL INDEMNIFY SELLER AGAINST ALL LIABILITY, COST OR EXPENSE, WHICH MAY BE SUSTAINED BY SELLER BECAUSE OF ANY SUCH LOSS, DAMAGE, OR INJURY.**
5. **ACCEPTANCE.** Upon Buyer's receipt of shipment, Buyer shall immediately inspect the Goods. Unless Buyer provides Seller with written notice of any claim for shortages of or defects in the Goods within forty-eight (48) hours after receipt of shipment such Goods shall be deemed finally inspected, checked and accepted by Buyer.
6. **TRANSPORTATION; TITLE AND RISK OF LOSS.** Unless Seller notifies Buyer to the contrary, Buyer will select the means of transportation and arrange for shipment of goods. Title to any Goods sold and risk of loss of such Goods passes to Buyer upon delivery by Seller to carrier at Seller's facility. Seller shall not be held responsible for loss or damages or excess cost resulting from the means of shipment or routing used or for any other losses or damages arising while in transit and Buyer agrees to make any claim therefor directly against the carrier. **[The cost of transportation (including, but not limited to, air freight and overnight delivery service) will be borne by Buyer.]**
7. **CREDIT TERMS.** All orders and shipments shall at all times be subject to the approval of Seller's Credit Department. The Seller reserves the right of declining to make shipment whenever, for any reason, there is doubt as to Buyer's financial responsibility, and Seller shall not in such event be liable for breach or nonperformance of contract completely or in part.
8. **TAXES.** Unless otherwise specifically provided on the face thereof, the price for the Goods purchased is net and does not include sales, use, excise or similar taxes, whether federal, state, or local. The amount of any such taxes applicable to the Goods shall be paid by Buyer in the same manner and with the same effect as if originally included in the purchase price.
9. **PACKAGING.** Prices stated are based on Seller's standard packaging. Seller reserves the right of packaging the Goods in pallets, bulk or individual cartons. Packaging will be standard commercial package and acceptable to commercial carrier. Special customer packaging will be furnished only when specified and so stated herein, and the cost thereof shall be borne by Buyer.
10. **DELAYS.** Unless expressly specified to the contrary, Goods will be shipped as soon as possible. However, all shipping dates are approximate, are based upon current availability of materials, present production schedules, and prompt receipt of all necessary information. Seller will not be liable for any damage, loss, fault, or expenses arising out of delays in shipment or other nonperformance of this Agreement caused by or imposed by: (a) strikes, fires, disasters, riots, acts of God; (b) acts of Buyer; (c) shortages of labor, fuel, power, materials, supplies, transportation, or manufacturing facilities; (d) governmental action; (e) subcontractor delay, or (f) any other cause or condition beyond Seller's control. In the event of any such delay or nonperformance, Seller may at its option, and without liability, cancel all or any portion of this Agreement and/or extend any date upon which any performance hereunder is due.
11. **TERMINATION, CANCELLATION, AND CHANGES.** Orders cannot be terminated, cancelled or modified, or shipment deferred after acceptance of Buyer's order by Seller, except with Seller's written consent and subject to conditions then agreed upon which shall indemnify Seller against liability and expense incurred and commitments made by Seller and which shall provide for profit on work in process and contract value of products or parts completed and ready for shipment.
12. **PATENTED PROCESS.** The purchase of the Goods does not entitle Buyer to employ the same with any patented process owned by Seller or others.
13. **PATENT INFRINGEMENT.** Except in the case of articles, materials and designs furnished or specified by Buyer, Seller, at its own expense shall defend any suit brought against Buyer on the ground that use of the Goods furnished hereunder by Seller infringes any United States Letter Patent existing on date of this agreement, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall: (a) promptly deliver to Seller all infringement notices and other papers received by or served up on Buyer; (b) permit Seller to take complete charge of the defense of such suit to compromise the same, if deemed advisable; and (c) assist in every reasonable way in the conduct of such defense. In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the Goods for the intended purpose on the ground that use of the Goods infringes any such United States patent, or if it is established to Seller's satisfaction, upon due investigation, that use of the Goods infringes any such United States Patent, Seller at its option, may either: (w) procure for Buyer a license to continue using the Goods, (x) modify the Goods so as to make them non-infringing without materially impairing its performance; (y) replace the Goods with goods which are substantially the equivalent but non-infringing; or (z) remove the Goods from Buyer's plant, in which event Seller shall refund to Buyer the purchase price less depreciation at the rate of 20% per year until such time as the purchase price has been repaid in full. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the Goods by Buyer. Seller shall have no obligation whatsoever arising out of any patent infringement claims directed to a process or method.
14. **ADDITIONAL CHARGES.** If substitute or additional Goods or repair parts are purchased by Buyer from Seller, the terms and conditions of this contract shall be applicable thereto, the same as if such substitute or additional Goods or repair parts had been originally purchased hereunder.
15. **GENERAL CONDITIONS.**
 - (a) No agent, salesperson or other party is authorized to bind Seller by any agreement, warrant, statement, promise, or understanding not herein expressed.
 - (b) The sale of Goods pursuant to this order shall be governed by the laws of the State of Ohio.
 - (c) In addition to the rights and remedies conferred upon Seller by law, Seller shall not be required to proceed with the performance of any order or contract if Buyer is in default in the performance of any order or contract with Seller, and in case of doubt as to Buyer's financial responsibility, shipments under this order may be suspended or sent sight draft with bill of lading attached by Seller.
 - (d) Any clerical errors are subject to correction by Seller.
 - (e) No delay or omission by Seller in exercising any right or remedy provided for herein shall constitute a waiver of such right or remedy and shall not be constituted as a bar to or a waiver of any such right or remedy on any future occasion.
 - (f) The provisions of this contract are severable. In the event that any such provision or portion thereof shall be deemed invalid or unenforceable to any extent, such provision shall be enforceable to the maximum extent permitted, if any, and the other provisions of this contract shall remain in full force.
 - (g) This contract shall be binding upon and shall inure to the benefit of the successors, and assigns of Buyer and Seller, provided, however, that Buyer may not assign or transfer this contract in whole or in part, except upon the prior written consent of Seller.