

PHOENIX INDUCTION CORPORATION

10132 COLONIAL INDUSTRIAL DRIVE

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GENERAL TERMS & CONDITIONS OF SALE (PRODUCTS)

By purchasing, installing, or using products from Phoenix Induction Corporation, you agree to these general terms and conditions of sale (products).

General: No addition to or modification of any of the General Terms and Condition of Sale as they appear herein for component/equipment sales and for field service of the Corporation shall be binding upon the Corporation unless signed in writing by a duly authorized representative of the Corporation.

Validity: Quotations to customers ("Customers" or individually, a "Customer") for the sale of equipment and/or parts (collectively, "Products") are valid for thirty (30) calendar days from the date the quotation (the "Quotation") is issued unless expressly revised in writing by Phoenix Induction Corporation ("The Corporation"). Verbal quotations expire within 48 hours. All clerical errors are subject to correction. Selling prices are firm as long as shipment is permitted within the mutually agreed upon shipping schedule. Due to commodity price and lead time volatility, Customer must approve, return, and release order for manufacturing within fifteen (15) days from date of drawing receipt or the order may be subject to cancellation by the Corporation or modification, at the Corporation's option, to add a material surcharge to the quoted selling price in the event of raw material cost increases and/or to extend the delivery date beyond the date quoted.

Terms of payment: Unless otherwise agreed, payment in full shall be due in cash within thirty (30) days from the date of shipment. The Corporation reserves the right, at its sole discretion, to suspend shipments and change the terms of payment at any time if doubt should arise as to the financial condition or the responsibility of the Customer. The Corporation may in its sole discretion refuse to ship in the event there are any amounts owing to the Corporation that are past due or in excess of the Corporation's approved credit terms for the Customer. All prices are in U.S. Funds unless otherwise agreed in writing by the Corporation. All terms in a Quotation are subject to credit approval by the Corporation.

Delivery/Shipment: All prices are F.O.B. point of shipment, transportation prepaid and allowed or prepaid and separately billed to the Customer's account as specified. CUSTOMER ASSUMES ALL RISK OF LOSS OR DAMAGE AT THE POINT OF SHIPMENT. Scheduled or stipulated shipping dates are approximate and based upon prompt receipt of all necessary information from the buyer. The Corporation shall not be liable for any loss, damage, or delay in delivery due to causes beyond its reasonable control, or acts of God, acts of the Buyer, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine restrictions, wars, riots, delays in transportation, transportation embargoes, or inability due to causes beyond its reasonable control to obtain necessary engineering talent, labor, materials, or manufacturing facilities. In the event of such delay, the delivery date shall be extended for that length of time as may be reasonably necessary to compensate for the delay. Regardless of the reason for delay the Corporation will not be liable for any incidental or consequential damages resulting from any delay.

Responsibility and Title - Title in the parts and equipment will remain with the Corporation as security only and until full payment. Risk for loss for the equipment shall pass to the Customer upon time of shipment from FOB point.

Price Change: Unless otherwise agreed in writing between the Corporation and the Customer, the Corporation reserves the right to increase or decrease any price with any such increase or decrease to apply to any portion(s) of the sale which is unshipped as of the effective date of such change. Such price change will not apply to any portion(s) of the sale shipped and billed prior to the effective date of the price change.

Acceptance of orders: All orders may only be accepted by the Corporation at its headquarters in South Lyon, MI. Should the Customer's order include terms, conditions, or changes or additions to specifications either written or oral, not included in the Corporation's Quotation, such additional terms, conditions or changes or additions shall be deemed merely offers and shall not be binding on the Corporation unless accepted in writing. The Corporation's acceptance or acknowledgement of the order described in its original Quotation, shall not be deemed an acceptance of such additional terms or waiver of the Corporation's right to reject or make additional charges for same.

Damage Claims: Claims for breakage and damage whether concealed or obvious must be made to the carrier by the Customer as soon as possible after receipt of shipment. The Corporation will be glad to render the buyer reasonable assistance in the securing of adjustment for such damages.

Export Packing: The Corporation will supply equipment for under deck overseas shipment packed in accordance with its regular export standard, at no additional charge to the Customer. Where such packing for export must conform to definite specifications that differ from the Corporation standard, the Customer will be charged for the extra cost incurred.

Shipping Weights and Dimensions: Published weights are careful estimates but are not warranted. Dimensions shown in catalog are approximate. For construction purposes certified dimension drawings can be obtained upon request to the nearest sales office.

Taxes: Prices do not include sales, use, excise, GST, PST or similar taxes. Import duties and brokerage fees are also not included. All such taxes are for the account of and shall be paid by the Customer and will be added to the prices where applicable.

PHOENIX INDUCTION CORPORATION
"The Induction Supply Company"

Cancellation:

A: For equipment sales: The Customer, only upon payment of the following charges, may cancel an accepted order or contract:

- 10% of selling price if order is cancelled after the purchase order is received, but before conversion; or
- 20% of selling price if order is cancelled after the order is converted but before design is complete; or
- 30% of the selling price if order is cancelled after the Product design is complete but before release of the order to manufacturing; and
- 100% of the selling price if order is cancelled at any time after release of the order to manufacturing.

B: For component sales: Any order placed with the Corporation may be canceled by the Customer only upon payment of reasonable cancellation charges, which shall take into account expenses already incurred and commitments made by the Corporation.

ACCESS - Unless approved in writing by an officer of the Corporation, any access to the Corporations' facilities, records, or data by Buyer or customer(s) or data by Buyer or customer(s) of Buyer, as well as respective agents or representatives, for whatever purpose, shall exclude access to proprietary processes and information.

Warranty:

A. Any product or part manufactured by others or merely sold or installed by the Corporation is specifically not warranted by the Corporation and it is agreed that such product or part shall carry the warranty, if any, supplied by the manufacturer. It is furthermore specified that the Buyer must look directly to such manufacturer for any defect, failure, claim or damage caused by such product or part, including power transistors.

B. Phoenix Induction Corporation warrants manufactured products to the original Buyer shall be free from defects in material and workmanship and shall conform to the agreed specifications, if any, for a period of twelve (12) months from date of shipment. Provided, however, that as a condition of these warranties the product shall have been stored, installed, operated and maintained in accordance with Phoenix Induction Corporation recommendations and applied in accordance with standard industry practices. Excluded from warranty is wear from normal use on heating coils, quench chambers, and any machine detail that makes pressure or contact with processed parts.

C. Remedies: It is normal and expected that the customer should contact Phoenix Induction Corporation prior to attempting any repairs, component replacements, or modifications during the warranty period. Should products sold hereunder fail to meet the above applicable warranty as described in Section A, Phoenix Induction Corporation, at its option shall repair or replace such products or portions of products (components), provided that:

1. Phoenix Induction Corporation is notified by Buyer within 30 days after discovery of such failure.
2. Documentation relating to the failure is received within 30 days after discovery of such failure, including product identification numbers, delivery date and description of failure.
3. The defective product or components are returned to the location specified by Phoenix Induction Corporation.
4. The defective product or components are received by Phoenix Induction Corporation no later than 30 days following the discovery of such failure.
5. Examination of such product or component by Phoenix Induction Corporation shall disclose that such failures have not been caused by improper installation, application, repair, alteration, accident, or negligence.

D. Any remedy rendered, whether repair or replacement shall be limited exclusively to the repair or replacement and shall not include any additional costs whether related to installation, transportation, incidental, indirect or direct costs. Products replaced or repaired under this warranty policy will assume the identity of the original replaced or repaired component.

E. The foregoing warranties are exclusive and in lieu of all other warranties, express, implied or statutory, including the implied warranties of merchantability and fitness for a particular purpose.

F. The above warranty shall apply only to the buyer and shall not apply to buyer's customers or any other third parties unless other is provided in writing.

G. General limitations of liability: in no event whether as a result of claims in contract, warranty or otherwise, shall Phoenix Induction Corporation be liable for loss of profit or revenue, loss of goodwill, claims of customers, loss of use, damages to or loss of other property or equipment, or incidental, indirect, special, or consequential damages whatsoever. In any event, Phoenix Induction Corporation cannot be held responsible for damages greater than the amount of money paid to Phoenix Induction Corporation for said product.

Complete Agreement: This contract contains the complete agreement between the parties, and modification, amendment rescission waiver or other change will be not be binding on the Corporation unless assented to in writing by the Corporations authorized representative. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced herein will not be binding on the Corporation

The invalidity, in whole or part, of any of the foregoing paragraphs will not affect the remainder of such paragraph or any other of this article.