



SALES TERMS AND CONDITIONS
EFFECTIVE: 04/07

1. CUSTOMER ACKNOWLEDGEMENT

Purchaser acknowledges agreement with these Terms of Sale by placement of an order to purchase goods from the Seller or its acceptance of goods called for in a purchase order. These Terms of Sale supersede all prior written terms, understandings, purchase orders and assurances.

2. MODIFICATION OF TERMS AND CONDITIONS

Seller's acceptance of any order is subject to Purchaser's assent to all of the terms and conditions set forth in Seller's acknowledgement, and Purchaser's assent to these terms and conditions shall be presumed from Purchaser's receipt of Seller's acknowledgement, or from Purchaser's acceptance of all or any part of the goods or services ordered. If a purchase order or other correspondence contains terms or conditions contrary to the terms and conditions contained in Seller's acknowledgement, Seller's acceptance of any order shall not be construed as assent to any additional terms and conditions, nor will that constitute a waiver by Seller of any of the terms and conditions contained in Seller's acknowledgement.

3. PRICE, SHIPMENTS AND PAYMENT TERMS

Unless otherwise quoted, prices shall be those in effect at time of shipment which shall be made F.O.B. shipping point. Payment terms [$\frac{3}{4}\%$ / **10, net 30**]. In addition, a monthly service charge of 1- $\frac{1}{2}$ % per month will be added to past due invoices at the Seller's discretion.

4. RETURN OF GOODS

Purchaser shall immediately inspect all goods from Seller upon Purchaser's receipt and Purchaser shall, within five (5) days of such receipt, notify Seller in writing of Purchaser's rejection of part or all of the goods and the reason(s) for such rejection. In the event that such notice is not timely given, Purchaser expressly waives all rights to reject acceptance of the goods and shall have accepted such goods and is liable to Seller for full payment of such goods.

5. TAXES

Prices shown do not include sales or other taxes imposed on the sale of goods. Any and all federal, state and local use, sales or similar taxes now or hereafter imposed upon sales or shipments will be added to the purchase price. Purchaser agrees to reimburse Seller for any such tax or provide Seller with acceptable tax exemption certificate.

6. DELAY IN DELIVERY

In the event that delays, strikes, or other causes not within the control of Seller force postponement or delays, delivery dates or appointments will be appropriately adjusted and additional costs incurred by Seller, if any, will be reasonably determined and added to the contract sum. Factory shipment or delivery dates are the best estimates of us and our suppliers, and in no case shall Seller be liable for any consequential or special damage arising from any delay in delivery.



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7. WARRANTY

Seller warrants that the goods shall be free from defects in material and workmanship. This warranty shall not apply in the event of defects caused by: (i) physical abuse of the goods or any component or acts of vandalism by any persons other than Seller, its employees, agents, or subcontractors; (ii) alterations, modifications, additions, or repairs made during the applicable warranty period by anyone other than Seller, its employees, agents or subcontractors; or (iii) accidents or damage resulting from fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused or contributed to by the sole negligence of Seller or its employees, agents, or subcontractors. THE WARRANTIES IN THIS CONTRACT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SAID WARRANTIES BEING EXPRESSLY DISCLAIMED.

RACING PRODUCTS

Due to the conditions under which they operate, SELLER MAKES NO WARRANTIES (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS), EITHER EXPRESSED OR IMPLIED, with respect to Peterson Spring Racing Products and shall not be liable for any consequential or special damages arising out of their use. No warranty or representation is made as to its ability to protect against serious injury or death, which might result during use of this product.

8. LIMITATION OF LIABILITY

Seller shall be given reasonable and prompt opportunity to examine any claim of defect by the Purchaser. Purchaser agrees that its sole and exclusive remedy against the Seller shall be limited to either repair or replacement of the goods or a refund of the purchase price at Seller's option. In addition, claims for shortages, other than loss in transit, must be made in writing not more than five (5) days after receipt of shipment. SELLER SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY RESULTING FROM DELAY IN DELIVERY OR INSTALLATION OF THE GOODS OR FOR ANY FAILURE TO PERFORM WHICH IS DUE TO CIRCUMSTANCES BEYOND ITS CONTROL. THE MAXIMUM LIABILITY, IF ANY, OF SELLER FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM SELLER'S BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PURCHASE PRICE OF THE GOODS AT ISSUE IN THE CLAIM. IN NO EVENT SHALL SELLER BE LIABLE TO PURCHASER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES AND PROFITS AND/OR MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY INCLUDING THIRD PARTY CLAIMS.

9. WAIVER

The failure of Seller to insist upon the performance of any of the terms or conditions hereunder or to exercise any right or remedy hereunder shall not be deemed to be a waiver of such terms, conditions or rights in the future, nor shall it be deemed to be a waiver of any other term, condition, or right.

10. TITLE

Seller hereby reserves a purchase money security interest under the Uniform Commercial Code in any goods sold to Purchaser. In the event Purchaser breaches the terms or conditions of the Agreement, including, but not limited to, any past due balances, together with interest, costs, and attorney fees are permitted herein, Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code. Seller is hereby granted a power of attorney on behalf of Purchaser to execute all appropriate documents (including financing statements) to perfect and record such security interest.



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11. FORCE MAJEURE

Seller shall not be liable for delays or failures in performance of an order or default in delivery arising out of or resulting from causes beyond its control. Such causes include, but are not restricted to, acts of God, acts of Purchaser, acts of the Government or the public enemy, fire, flood, epidemics, quarantine restrictions, strikes, freight embargoes, severe weather or default of suppliers due to any of such causes. In the event of any such delay of Seller's performance, Purchaser shall honor its obligations hereunder as soon as Seller is able to perform.

12. COMPLETE AGREEMENT

This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. Any subsequent modification or amendment to it may be made only in a writing signed by both parties.

13. CHOICE OF LAW

This agreement is made in, and shall be construed and interpreted in accordance with the laws of the State of Michigan. All disputes involving this agreement shall be adjudicated exclusively in the Circuit Court for the County of Wayne, State of Michigan, or the U.S. District Court for the Eastern District of Michigan. Purchaser hereby acknowledges and consents to personal jurisdiction in the State of Michigan.

14. INTEGRATION

The contract constitutes the entire understanding between the parties with respect to the subject matter of the contract and supersedes any prior discussions, negotiations, agreements and understandings. Modifications to the contract can be made only by a writing signed by each party.

15. ASSIGNMENTS

No assignment of this contract or of any right or obligation under this contract shall be made by Purchaser without the prior written consent of Seller. In the event of a proper assignment, the contract shall be binding upon and inure to the benefit of the Purchaser's successors and assigns.

16. ATTORNEYS' FEES AND COSTS

In the event of Seller's enforcement of any term or condition in the Agreement, Purchaser shall be liable to Seller for all costs, including attorneys' fees, incurred by Seller in enforcing the Agreement and in collecting any sums owed by Purchaser to Seller.

17. TERMINATION

Seller has the right to terminate any purchase order in whole or in part for its sole convenience, without reason or cause, by giving 90 days written notice to the buyer.