

TERMS AND CONDITIONS

Payment: ½% 10, Net 30 days

(Subject to Credit Approval)

Shipping: FOB Scarrott Metallurgical Company

Scarrott Metallurgical Company is proud to be a member of the Metal Treating Institute, Inc.

MTI STATEMENT OF LIMITED LIABILITY

(Please Read Carefully)

(Standards Adopted by the Metal Treating Institute Inc.)

ALL WORK IS ACCEPTED SUBJECT TO THE FOLLOWING CONDITIONS:

It is recognized that even after employing all the scientific methods known to us, hazards still remain in metal treating.

THEREFORE, OUR LIABILITY SHALL NOT EXCEED TWICE THE AMOUNT OF OUR CHARGES FOR THE WORK DONE ON ANY MATERIAL (FIRST TO REIMBURSE FOR THE CHARGES AND SECOND TO COMPENSATE IN THE AMOUNT OF THE CHARGES), EXCEPT BY WRITTEN AGREEMENT SIGNED BY THE METAL TREATER.

THE CUSTOMER, BY CONTRACTING FOR METAL TREATMENT, AGREES TO ACCEPT THE LIMITS OF LIABILITY AS EXPRESSED IN THIS STATEMENT TO THE EXCLUSION OF ANY AND ALL PROVISIONS AS TO LIABILITY ON THE CUSTOMER'S OWN INVOICES, PURCHASE ORDERS OR OTHER DOCUMENTS. IF THE CUSTOMER DESIRES HIS OWN PROVISIONS AS TO LIABILITY TO REMAIN IN FORCE AND EFFECT, THIS MUST BE AGREED TO IN WRITING. SIGNED BY AN OFFICER OF THE TREATER. IN SUCH EVENT, A DIFFERENT CHARGE FOR OUR SERVICES, REFLECTING THE HIGHER RISK TO TREATER, SHALL BE DETERMINED BY TREATER AND CUSTOMER.

THE TREATER MAKES NO EXPRESS OR IMPLIED WARRANTIES AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY. AS TO THE PERFORMANCE OF CAPABILITIES OF THE MATERIAL AS HEAT TREATED, OR THE HEAT TREATMENT. THE AFOREMENTIONED LIMITATION OF LIABILITY STATED ABOVE IS SPECIFICALLY IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS, AND OF ANY OTHER SUCH OBLIGATION ON THE PART OF THE TREATER.

No claims for shortage in weight or count will be entertained unless presented within five (5) working days after receipt of materials by customer. No claims will be allowed for shrinkage, expansion, deformity, or rupture of material in treating or straightening, except by prior written agreement as above, nor in any case for rupture caused by or occurring during subsequent grinding. Whenever we are given material with detailed instructions as to treatment, our responsibility shall end with the carrying out of those instructions. Failure by a customer to indicate plainly and correctly the kind of material (i.e., proper alloy designation) to be treated, shall cause an extra charge to be made to cover any additional expense incurred as a result thereof, but shall not change the limitation of liability stated above.

Customer agrees there will be no liability on the treater in contract or tort (including negligence and strict liability action) for any special, indirect or consequential damages arising from any reason, whatsoever, including but not limited to personal injury, property damages, loss of profits, loss of production, recall or any other losses, expenses or liabilities allegedly occasioned by the work performed on the part of the treater.

It shall be the duty of the customer to inspect the merchandise immediately upon its return, and in any event claims must be reported prior to the time that any further processing, assembling or any other work is undertaken.

OUR LIABILITY TO OUR CUSTOMERS SHALL CEASE ONCE ANY FURTHER PROCESSING, ASSEMBLING OR ANY OTHER WORK HAS BEEN UNDERTAKEN ON SAID MATERIAL,

Records associated with this document will be maintained at or by Scarrott Metallurgical for 7 years.

No agent or representative is authorized to alter the conditions, except in writing duly signed by an officer of treater.

This (quotation/purchase order/sales acknowledgement) is expressly limited to the terms and conditions contained on the face and back thereof. Any different or additional terms contained in any of the buyer's forms are hereby deemed to be a material alteration hereof and notice of objection to them is hereby given.

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