



# CASCADE GASKET & MANUFACTURING COMPANY INC.

## GENERAL TERMS & CONDITIONS

**1. ACCEPTANCE:** Acceptance of this Order by Seller is expressly limited to the terms and conditions contained in this Order. Any term or condition stated by the Seller in any prior proposal or on Seller's acknowledgment form that is somehow other than what is acknowledged or accepted in this order is deemed by Cascade Gasket to be a material alteration of this Order and is hereby objected to by Cascade Gasket. Any such term or condition shall be totally inapplicable to this Order unless specifically agreed to in writing signed by an authorized representative of Cascade Gasket. Acceptance of the Goods or Services covered by this Order will not constitute acceptance by Cascade Gasket of Seller's Terms and Conditions. Any of the following acts by Seller shall constitute acceptance of this Order and all of its Terms and Conditions: Signing and returning a copy of this Order: Delivery of any of the Goods ordered: Informing Cascade Gasket in any manner of commencement of performance: Or returning Seller's own form of acknowledgment.

**2. PRICE AND DELIVERY:** Seller shall furnish ("the Goods") covered by this Order or (the "Services") covered by this Order in accordance with the prices and delivery schedule stated on the face of this Order. All prices shall include applicable taxes, except sales taxes which are to be separately shown where applicable.

Seller warrants that the prices charged for the Goods or Services ordered will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods or services in the same or smaller quantities and under like circumstances. Cascade Gasket may return, or store at Seller's expense, any Goods delivered more than five (5) days in advance of the delivery date specified for such Goods. Time is of the essence of this Order.

**3. F.O.B. TITLE AND RISK OF LOSS:** Unless otherwise specified on the face of this Order, the FOB point shall be Cascade Gasket's location designated on the face of this order. If transportation is FOB Seller's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to Cascade Gasket, until delivery of the Goods to the carrier. If transportation is FOB to Cascade Gasket's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to Cascade Gasket, until delivery of the Goods to Cascade Gasket's location.

**4. INVOICING:** After each shipment made or service provided under this Order, Seller shall send a separate invoice, including item number, in duplicate, accompanied by a bill of lading or express receipt. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure by Seller or any of its affiliated companies against any amount owed by Seller or any of its affiliated companies to Cascade Gasket against any amount owed by Cascade Gasket to Seller under this order.

**5. INSPECTION:**

(a) All Goods may be inspected and tested by Cascade Gasket, its customers, high tier contractors, and the US Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises, Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Goods, Seller shall use an inspection system accepted by Cascade Gasket in writing. All inspection records relating to the Goods shall be available to Cascade Gasket during the performance of this Contract, and unless otherwise specified on Purchase Order, Seller shall



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retain such records for a calendar year plus (10) ten years from the date of shipment under each applicable Order, or for such longer periods specified by Cascade Gasket in its acceptance of Seller's inspection system. Seller must have Cascade Gasket's written approval prior to disposal/disposition of any records.

(b) Final inspection and acceptance by Cascade Gasket shall be at Cascade Gasket's plant or shipping destination unless otherwise specified in this Order. Such inspection shall be in accordance with the customary established inspection procedures. If rejection of a shipment should result from Cascade Gasket's normal inspection level, under such procedures, Cascade Gasket may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Seller the reasonable costs thereof.

c) No Inspection (including Source Inspection), tests, approvals (including design approval) or acceptance of the Goods shall relieve Seller from responsibility for any defect(s) or latent defects in the Goods or other failures to meet the requirements of this Order; or for fraud or such gross mistakes as amount to fraud and Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this Order, Cascade Gasket may by written notice to Seller (i) rescind this order as to such Goods/ (ii) accept such Goods at an equitable reduction in price/ or (iii) reject such Goods and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such Goods are replacements. If Seller fails to deliver required replacements promptly, Cascade Gasket may: (i) replace or correct such Goods and charge the Seller the cost occasioned Cascade Gasket thereby/ or (ii) terminate this order

for cause as provided in Section 15(b) hereof. Rights granted to Cascade Gasket under this Section 5 are in addition to any other rights or remedies provided elsewhere in this order or in law.

**6. TOOLS:** If Cascade Gasket furnishes Seller equipment (such as special dies, molds, jigs, tools, test equipment, masks, etc.) or pays for such equipment, title thereto shall remain or vest in Cascade Gasket, and Seller shall identify, maintain and preserve such equipment and shall dispose of it in accordance with Cascade Gasket's direction. Unless otherwise authorized in writing by Cascade Gasket, Seller shall use such equipment solely in the performance of purchase orders for Cascade Gasket. Seller shall be responsible for any loss, damage, or destruction to such equipment, but Seller shall not include any insurance cost therefore or cost to store in the prices charged under this order. Cascade Gasket also reserves the right to request and receive a list of Cascade Gasket owned tools in Supplier's possession and to audit said list against actual tools at supplier's facility. Cascade Gasket receives the right, at its sole discretion, to remove any Cascade Gasket owned tooling, if Cascade Gasket feels work is in jeopardy.

**7. MATERIALS:** If Cascade Gasket furnishes any material (such as extrusions, fasteners, bearings, bushings, etc.) for fabrication hereunder Seller agrees (i) not to substitute any other material in such fabrication without Cascade Gasket's written consent (ii) title to such materials shall not be affected by incorporation in or attachment to any other property, and (iii) all such material (except that which becomes normal industrial waste or is replaced at the Sellers expense) will be returned in the form of products or unused material to Cascade Gasket. In addition Seller shall inspect any Cascade Gasket furnished material



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and shall have the right to reject any nonconforming material. In the event of losses or attrition thereafter, Seller shall be responsible for replacing such material at Seller's expense. Inaccuracies, out of tolerance condition and/or inadequacies in quantity of materials accepted by the Seller shall not excuse performance in strict accordance with the applicable specification and/or drawings.

### **8. CONFIDENTIAL OR PROPRIETARY INFORMATION**

**AND PROPERTY:** Seller shall keep confidential and otherwise protect from disclosure all information and property obtained from Cascade Gasket in connection with this Order and identified as confidential or proprietary. Unless otherwise expressly authorized herein or by Cascade Gasket, Seller shall use such information and property, and the features thereof, only in the performance and for the purpose of the Order. Upon Cascade Gasket's request, and in any event upon the completion, termination or cancellation of this Order, Seller shall return all such information and property to Cascade Gasket or make such other disposition thereof as is directed by Cascade Gasket. Seller shall not sell or dispose of as scrap or otherwise any completed or partially completed or defective proprietary property before receiving written authorization from Cascade Gasket and before rendering such property unsuitable for use. In all lower-tier subcontracts and Purchase Orders issued by Seller and involving subcontractor receipt of such information or property required for the performance of this Order, each such subcontractor shall first assume by written agreement the same obligations imposed upon Seller under these Terms and Conditions relating to Proprietary Information and Property and shall provide Cascade Gasket the same rights and protections as contained

in this and all other applicable clauses as indicated by Seller's acceptance of this Purchase Order.

**9. COMPLIANCE WITH LAWS:** Seller shall comply with all federal, state and local laws, ordinances, rules and regulations in the manufacture and sale of the Goods and performance of Services, including but not limited to the Occupational Safety and Health Act, The Truth in Negotiation Act, the Resources Conservation and Recovery Act and all applicable requirements of the Fair Labor Standards Act, as amended, and the regulations and orders of the US Department of Labor issued there under. Seller shall convey the relevant substance of this Section 9 COMPLIANCE WITH LAWS to its suppliers. In addition, if/when government related, the following clauses are incorporated herein by this reference except "Contractor" shall mean "Seller". FAR 52.222-50 Combating Trafficking in Persons "Paragraph (h)2(ii) shall read as follows: "To the nature and scope of the activities involved in the performance of a Government subcontract, including the number of non-US citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons; Seller acknowledges and accepts full and sole responsibility to maintain an Ethics and Compliance Program appropriate for its business throughout the performance of this contract. FAR 52.244-6 Subcontracts for Commercial Items, FAR 52.209-06 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment. Additionally, if/when Department of Defense (DoD) related, the following DFARS clauses are also incorporated herein; 252.225-78012 Preference for the following Certain Domestic Commodities, and 252.244-7000





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Subcontracts for Commercial Items and Commercial Components.

Seller will defend and hold Cascade Gasket harmless from any loss, damages, or costs arising from or caused in any way by any actual or alleged violation of any federal, state or local law, ordinance, rule, or regulation, or failure by the Seller to have (i) any chemical substances sold hereunder included in the list of approved chemical substances published by the Environmental Protection Agency pursuant to the Toxic Substances Control Act; or (ii) provide a complete Material Safety Data Sheet (OSHA Form 20) or equivalent for any chemical substances sold hereunder as required by any federal, state or local law, ordinance, rule or regulation.

**10. PATENTS AND COPYRIGHTS:** Seller shall defend, at its own expense, any suit or claim that may be instituted against Cascade Gasket or any customer of Cascade Gasket for alleged infringement of patents or copyrights relating to the maintenance, sale or use of the Goods, except for any such infringement resulting from Seller's compliance with detailed designs provided by Cascade Gasket, and Seller shall indemnify Cascade Gasket and its customers for all costs and damages arising out of such alleged infringement. Cascade Gasket shall have the right, at no additional charge, to use and/or reproduce Seller's "works made for hire" as defined under U.S copyright law, such as process literature and information, operating and maintenance manuals, technical publications, prints, drawings, training manuals, work instruction, and other similar supporting documentation. Seller shall advise Cascade Gasket of any updated information relative to the foregoing literature and documentation with timely notification in writing.

**11. LIABILITY FOR INJURY:** Seller shall indemnify Cascade Gasket against any and all costs, loss and liability for all personal injury and property damage caused by the Goods or Services performed by Seller, whether performed on the premises of Seller or Cascade Gasket or elsewhere, and shall defend at its sole cost and expense any action brought against Cascade Gasket as a result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage satisfactory to Cascade Gasket to cover the above, and upon Cascade Gasket's request, shall furnish Cascade Gasket with evidence of such insurance in a form satisfactory to Cascade Gasket.

**12. ASSIGNMENT:** Seller shall not assign this Order or any rights under this Order without the prior written consent of Cascade Gasket, and no purported assignment by Seller shall be binding on Cascade Gasket without such written consent.

**13. NOTICE OF LABOR DISPUTES:** Whenever an actual or potential labor dispute delays, or threatens to delay the timely performance of this Order, Seller shall immediately notify Cascade Gasket in writing of all relevant information with respect to such dispute.

**14. PUBLICITY:** Seller shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this order without the prior written consent of Cascade Gasket, except as may be required to perform this Order.

**15. CHANGES:** Cascade Gasket may, at any time, by written change order, suspend performance of this Order, in whole or in part, make changes in the quantities, drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Goods, reschedule the Services, or require additional or diminished Services. If any such change causes an increase or decrease in the cost of, or the



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time required for performance of this Order, an equitable adjustment shall be made in the contract price claim for adjustment under this Section 15 may, at Cascade Gasket's option, be deemed to be absolutely and unconditionally waived, unless asserted in writing (including the amount of the claim) and delivered to Cascade Gasket within thirty (30) days from the date of receipt by Seller of the change order. If the cost of property made obsolete or excess as a result of change is paid by Cascade Gasket, Cascade Gasket may prescribe the manner of disposition of such property.

#### **16. TERMINATION:**

(a) Without Cause: Cascade Gasket may terminate, for its convenience, all or any part of this Order at any time by written notice to Seller. Upon such termination, Seller must submit a written termination claim to Cascade Gasket within ninety (90) days after the effective date of termination, or such claim shall be absolutely and unconditionally waived.

(b) With Cause: If Seller fails to make delivery of the Goods, or fails to perform any other provision of this Order, or so fails to make progress as to endanger performance of this Order in accordance with its terms, and does not cure such failure within ten (10) days after notice from Cascade Gasket, Cascade Gasket may (in addition to any other right or remedy provided by this Order or by law) terminate all or any part of this Order by written notice to Seller without liability and purchase substitute goods elsewhere, and Seller shall be liable to Cascade Gasket for any excess cost occasioned Cascade Gasket. Seller shall thereby continue performance of this Order to the extent not terminated pursuant to this Section 16(b). If this Order is terminated as provided in this Section 16(b) Cascade Gasket, in addition to any other rights provided herein, may require the Seller to transfer

title and delivery to Cascade Gasket (i) any completed Goods, and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specifically acquired for the performance of this Order.

**17. WAIVER:** The failure of Cascade Gasket to insist upon the performance of any provision of this Order, or to exercise any right or privilege granted to the Cascade Gasket under this Order, shall not be construed as waiving such provision or any other provision of this Order, and the same shall continue in full force and effect. If any provision of this Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this Order shall not be affected thereby, and shall remain in full force and effect.

**18. APPLICABLE LAW:** The validity, performance, and construction of this Order shall be governed by the laws of the state shown on Cascade Gasket's address on this Order.

**19. DISPUTES/JURISDICTION & VENUE:** Cascade Gasket and Seller shall use their best reasonable efforts to resolve any and all disputes, controversies, claims, or deference between Cascade Gasket and Seller, arising out of or relating in any way to this Contract or its performance, including, but not limited to, any questions regarding the existence, validity or termination hereof ("Disputes"), through negotiation. Only upon failure by Cascade Gasket and Seller to resolve the Dispute through such negotiation may either Party institute legal action. Any dispute arising under this Order which is not disposed of by agreement of the parties shall be decided by account proceeding. The jurisdiction and venue of any dispute shall be submitted to the King County Superior Court, State of Washington and each party



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submits to the jurisdiction of the court for such purpose. Any removal to Federal Court shall be to the Western District, Seattle, Washington. Pending settlement of final decision of any such dispute, Seller shall proceed diligently with the performance of this Order in accordance with Cascade Gasket's direction.

**20. COMPLETE AGREEMENT:** This Order, and any supplemental sheets and readers annexed hereto by Cascade Gasket, contains the complete and entire Agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter.

**21. ANTI-KICKBACK:** Seller warrants that it is in full compliance with the provisions of the Anti-Kickback Act of 1986, 41 U.S.C. 51-58 and shall indemnify, protect, defend and hold Cascade Gasket harmless from any liabilities or monetary loss Cascade Gasket may suffer as a result from failure of such compliance by Seller.

**22. ON-SITE WORK:** Prior to Seller performing work at Cascade Gasket's facility, a completed Contractor Service Agreement (latest edition) is required and incorporated herein by reference.

**23. INDEMNIFICATION:** When Seller is performing work at Cascade Gasket's facility, the Seller agrees to indemnify & save harmless the owner, its officers, agents & employees, from & against any and all suits, claims, actions, losses, costs, penalties & damage of whatsoever kind or nature including attorney fees, arising out of, in connection with, or incident to, the work of this Contract, except that caused by the sole negligence of owner.

Reasonable attorney fees shall be allowed to the prevailing party.

**24. AUTHORIZED AGENT:** All Cascade Gasket's contractual direction, including but not limited to, pricing delivery, and configuration changes shall be authorized in writing by Cascade Gasket Purchasing Agent only.

**25. NON-DIRECT SALE OF BOEING PROPRIETARY PARTS:** Upon acceptance of this offer, Cascade Gasket warrants to Seller that all Boeing proprietary parts will only be used or resold to Boeing or vendor with an approved Boeing Purchase Order.

**26. AFFIRMATIVE ACTION**

Cascade Gasket requires its vendors, subcontractors and suppliers who deal with federally-assisted funds to comply fully with the rules, regulations and laws of Executive Order 11246 as amended, Section 503 of the Rehabilitation Act of 1973, and 38USC 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974.