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## Newton Heat Treating STATEMENT OF LIMITED LIABILITY (Please read carefully)

Standards generally adopted by the Metal Treating Institute:
ALL WORK IS ACCEPTED SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

It is recognized that even after employing all scientific methods known to Newton Heat Treating ("NHT"), hazards still remain in metal treating and in the handling of NHT's customer's material (collectively, Heat Treat Work"). Therefore:

NHT'S LIABILITY TO CUSTOMER, FOR ANY CLAIM WITH REGARD TO HEAT TREAT WORK, SHALL NOT EXCEED TWICE THE AMOUNT OF NHT'S CHARGES FOR THE HEAT TREAT WORK PERFORMED BY NHT (EXCLUDING CHARGES FOR TESTING, TRUCKING, DRILLING, ETC.) ON THE MATERIAL IN QUESTION (INTENDED FIRST FOR REIMBURSE FOR THE CHARGES AND SECOND TO COMPENSATE IN THE AMOUNT OF THE CHARGES). EXCEPT BY PRIOR WRITTEN AGREEMENT WITH CUSTOMER SIGNED BY THE PRESIDENT OF NHT, OR UNLESS OTHERWISE DIRECTED IN WRITING BY THE PRESIDENT OF NHT, THE MATERIAL IN QUESTION MUST FIRST BE RETURNED (AT CUSTOMER'S COST) TO THE NHT FACILITY AT WHICH THE HEAT TREAT WORK WAS PERFORMED FOR INSPECTION AND VERIFICATION, OR THE CLAIM OF THE CUSTOMER WILL NOT BE HONORED.

CUSTOMER, BY CONTRACTING FOR HEAT TREAT WORK WITH NHT, AGREES TO ACCEPT THE LIMITS OF LIABILITY AS EXPRESSED IN THIS STATEMENT, TO THE EXCLUSION OF ANY AND ALL PROVISIONS AS TO NHT'S LIABILITY AS MAY BE SET FORTH IN CUSTOMER'S OWN INVOICES, PURCHASE ORDERS, OR OTHER DOCUMENTS. IF CUSTOMER DESIRES THAT IT'S OWN PROVISIONS AS TO NHT'S LIABILITY APPLY TO THE HEAT TREAT WORK TO BE PERFORMED BY NHT, NHT MUST SPECIFICALLY AGREE THERE TO IN A WRITING SIGNED BY THE PRESIDENT OF NHT. IN SUCH AN EVENT, A DIFFERENT CHARGE FOR NHT'S HEAT TREATING WORK, REFLECTING THE HIGHER RISK TO NHT, SHALL BE SET FORTH IN A WRITTEN AGREEMENT WITH CUSTOMER SIGNED BY THE PRESIDENT OF NHT.

NHT MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPORSE OR MERCHANTABILITY, AS TO THE PERFORMACE OF CAPABILITIES OF THE MATERIAL AS HEAT TREATED AND/OR THE HEAT TREAT WORK. THE LIMITATION OF LIABILITY IN THIS STATEMENT IS SPECIFICALLY IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF OBLIGATION ON THE PART OF NHT. NHT'S LIABILITY HEREUNDER SHALL CEASE ONCE ANY FURTHER PROCESSING, ASSEMBLING OR ANY OTHER WORK HAS BEEN UNDERTAKEN BY THE CUSTOMER OR ANY THIRD PARTY.

No claims for shortage in weight or count of material will be entertained by NHT unless presented in writing to NHT (to the attention of the President of NHT), within five (5) working days after receipt of the material in question by Customer. Claims will neither be allowed for shrinkage, expansion, deformity or rupture of material in treating or straightening, except by prior written agreement, signed by the President of NHT, nor in any case for rupture caused by or occurring during subsequent grinding. Whenever the customer desires that NHT comply with detailed instructions as to any Heat Treat Work, Customer shall provide such instructions to NHT, in writing, and subject to the limitation of liability set forth in this Statement, NHT's responsibility therefore shall end with the carrying out of those instructions. Failure by Customer to indicate to NHT, plainly and correctly, in writing, the kind of material (e.g. proper alloy designation) to be treated, shall result in Customer paying an extra charge to NHT to cover any additional expense incurred as a result thereof, but shall not change the limitation of liability set forth in this Statement.

Customer agrees that Customer's remedies with regard to the Heat Treat Work performed by NHT as set forth in this Statement are exclusive, and that NHT shall have no other liability whatsoever to customer, in contract, tort or otherwise (including, without limitation, in negligence and strict liability), and/or for any special, direct, indirect or consequential damages arising from any reason whatsoever, including but not limited to personal injury, property damage, loss of profits, loss of production, recall or any other losses, expenses, or liabilities allegedly occasioned by the work performed on the part of NHT.

In no event shall NHT be responsible or liable for damage or delays caused by war, riots, fire, flood, hurricane, typhoon, earthquake, lightning, accidents, explosions, labor shortage, strikes, lockouts, slowdowns, prolonged shortage of energy supplies or materials, acts of state or governmental action prohibiting or impending NHT or other party from performing it's changed obligations or other causes beyond the reasonable control of NHT.

No agent or representative is authorized to alter the terms or conditions of this Statement except in writing duly signed by the President of NHT