



Cornell Forge Company
Conditions Related to Quotations and Contractual Orders

All sales by Cornell Forge Company (“Seller”), including orders received in response to a quotation, are made subject to the following terms and conditions. Seller expressly rejects any different or additional terms and conditions contained in any document submitted by Buyer in any format. Except as otherwise agreed in writing and signed by Buyer and Seller, these terms and conditions (together with any terms in Seller’s quotation, order acknowledgment, order confirmation, and invoice, if any) constitute the entire agreement between Buyer and Seller with respect to the subject matter hereof and supersede all previous agreements, proposals, negotiations, and understandings (including, but not limited to, any representations made by sale representatives, employees or agents of Seller), whether written or oral, relating to the subject matter hereof. Whether these terms and conditions operate as an acceptance or a counteroffer, the acceptance by Buyer of any goods provided hereunder shall constitute acceptance by Buyer of these terms and conditions and relinquishment and waiver of any right to limit acceptance or object to these terms and conditions under Section 2-207 of the Uniform Commercial Code, or any successor to such Section. Terms and conditions contained in any document issued by Buyer that in any manner purport to alter, modify, change, or suspend any term or condition contained herein or to add any term or condition shall be deemed waived by Buyer and excluded from the agreement between the parties. Seller and Buyer expressly agree that Seller may modify these terms and conditions from time to time, and such modifications shall be binding upon Buyer.

1. This offer expires 30 days from date of issue. Buyer’s purchase order against this quotation within 30 days of date of issue constitutes acceptance by Buyer. All Buyer orders not issued within 30 days of quotation are based on prices in effect at the time of shipment. If Buyer notifies Seller that it terminates this order, Seller will stop all work as promptly as reasonably possible, but Buyer shall be responsible for a termination charge, computed on the basis of Seller’s full cost including overhead, plus all engineering work, work in process, raw materials, tooling, job scheduling, supplies, administrative expenses, commitments made by Seller in connection with the order, plus a reasonable allowance for profit on such orders. Buyer cannot modify or otherwise alter orders without Seller’s written consent.
2. Unless otherwise indicated by Seller, payment terms are (a) 1% discount of the full payment amount due within 10 days from date of invoice, or full payment amount due net 30 days from the date of invoice. In the event Buyer fails to make payment to Seller of any amounts due and owing, Seller shall have the right to terminate any Buyer order or any unfulfilled portion thereof. Seller may charge interest on past due balances at an annual rate of 12% or the highest rate allowed by law. Buyer agrees to pay all collection costs incurred by Seller, including reasonable attorney’s fees.
3. Seller’s acceptance of orders is subject to credit approval. If in Seller’s opinion, Buyer’s credit becomes impaired, Seller may suspend performance until such a time as Seller has received full payment for any goods already delivered or in process and is satisfied as to Buyer’s credit for future deliveries. If Seller suspends performance and later proceeds with such order, Seller shall be entitled to such extension of time for performance as necessitated by the suspension.
4. Preparation charges are payable as follows: 1/2 of the preparation charge is due upon placement of a tooling order, with the balance due upon completion of tooling. Preparation charges are for the preparation of Buyer’s print layout for die impression. Payment of preparation charges does not convey ownership of tooling. Seller shall retain initial tooling [**print layouts**] for Buyer’s exclusive use for one year after the last order pertaining to such print layout. Preparation charges are a one-time charge to produce at a projected rate of delivery on a certain designed part, provided, however, additional preparation charges may apply in the event Buyer has not placed an order for such tooling in any consecutive 12 month period. Costs to change design or to engineer for a varied rate of delivery will be quoted upon request.
5. The delivery date for all goods shall be the date specified or accepted by Seller, with the understanding that such date is an estimated date and that Seller’s obligation hereunder is limited to using all reasonable efforts to deliver the goods within the time specified. In no case, shall Seller be liable for any expense, loss or damage whatsoever suffered by Buyer as a result of Seller’s failure to deliver goods by the specified date. Unless otherwise agreed to in writing and signed by Seller, partial deliveries shall be permitted. Any shipments returned to Seller as a result of Buyer’s unexcused delay or failure to accept delivery will require Buyer to pay all additional costs incurred by Seller.
6. Seller shall not be responsible for non-shipments of goods or delays in delivery or performance due to causes beyond Seller’s reasonable control, including, but not limited to, acts of God, acts of Buyer, strikes or other labor disturbances, Seller’s inability to obtain necessary materials from its usual sources of supply, or material increases in the cost of fuel, raw materials or parts, delays in transportation, repairs to equipment, fires, or accidents.
7. Unless otherwise agreed to in writing, all deliveries are FOB loaded at Seller’s shipping dock. All taxes, excises, duties, clearance charges, and other expenses of like kind arising directly or indirectly from Buyer’s transportation of the goods shall be borne and paid by Buyer. Shipments are based on piece counts and theoretical weight. Risk of loss or damage in transit shall be borne by Buyer, and claims shall be made directly with carrier.
8. Governing dimensional tolerances are those described on Seller’s drawing approved by Buyer. Any precedent established by the **Forging Industry Association** applies. Any other tolerances will be guided by the **Forging Industry Association’s** book, **Tolerances for Impression Die Forging**, except shipping tolerances below:

0-500pcs +/- 30%	1,001-5,000 +/- 10%	10,001-20,000 +/- 5%
501-1,000 +/- 25%	5,001-10,000 +/- 7%	20,001-over +/- 3%

9. Buyer must initiate claims for shortages or defective goods within sixty days after the date of shipment. Any claim by Buyer with respect to defective goods shall be deemed waived by Buyer sixty days after the date of shipment. All potential rejections must receive a return material authorization number before Seller will receive it at its dock. In the event Seller determines that any goods were defective within the review period set forth in this Section, Seller's sole obligation, at Seller's option, shall be to repair or replace the defective goods (or part or component of the defective goods), or to refund, or credit Buyer with, an amount equal to the purchase price of the defective goods. This warranty does not extend to any losses or damages due to misuse (including use in a manner inconsistent with the design of the goods), abuse, neglect, accident, normal wear and tear, improper installation or maintenance, environmental conditions, or to goods that have been altered, modified, or repaired by anyone other than Seller or its authorized representative. **THIS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO SELLER AND WHETHER OR NOT THE GOODS ARE SPECIFICALLY DESIGNED AND/OR MANUFACTURED BY SELLER FOR BUYER'S USE OR PURPOSE.**
10. **THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY REPRESENTATION OR WARRANTY HEREUNDER SHALL BE LIMITED TO REPAIR, REPLACEMENT, OR REFUND OF THE PURCHASE PRICE. SELLER SHALL NOT BE LIABLE FOR ANY DELAY IN PERFORMANCE OR ANY LABOR EXPENDED BY THE BUYER ON ANY DEFECTIVE GOODS. SELLER SHALL NOT BE LIABLE FOR AND BUYER ASSUMES RESPONSIBILITY FOR ALL PERSONAL INJURY AND PROPERTY DAMAGE RESULTING FROM THE HANDLING, POSSESSION, OR USE OF THE GOODS BY BUYER, EITHER ALONE OR IN COMBINATION WITH OTHER GOODS OR COMPONENTS. ANY LIABILITY OF SELLER DIRECTLY OR INDIRECTLY ARISING OUT OF THE SUPPLYING, HANDLING, OR USE OF ANY GOODS, WHETHER SUCH LIABILITY IS BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY, NEGLIGENCE, OR ANY OTHER LEGAL THEORY, SHALL NOT IN ANY CASE EXCEED THE PRICE OF THE SPECIFIC GOODS PROVIDED BY SELLER TO BUYER GIVING RISE TO THE LIABILITY. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY LOSSES, DAMAGES OR EXPENSES, DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING, OR USE OF THE GOODS, OR FROM ANY OTHER CAUSE WITH RESPECT TO THE GOODS OR THESE TERMS AND CONDITIONS, WHETHER SUCH CLAIM IS BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, STRICT LIABILITY, NEGLIGENCE, OR ANY OTHER LEGAL THEORY.**
11. Buyer hereby agrees to indemnify Seller, its affiliates, directors, officers, employees and representatives, for any damages, losses, claims, causes of action, costs and expenses, including, reasonable attorneys' fees and costs, arising out of or related to any third party claim for infringement, personal injury or the like which arises out of or relates to Buyer's actions or failures to act.
12. This contract shall be interpreted in accordance with the law of the State of Illinois. Any dispute arising out of this contract which is not settled by mutual agreement shall be submitted to arbitration and resolved in accordance with the prevailing commercial rules of the American Arbitration Association.
13. All taxes of any kind levied by any state, municipal, or other government authority, which tax Seller is required to collect or pay with respect to the production, sale, or shipment of goods sold to Buyer shall be the responsibility of Buyer. Buyer agrees to pay all such taxes and further agrees to reimburse Seller for any such payments made by Seller.
14. These terms and conditions shall be binding on the successors and assigns of the parties, provided that Buyer may not assign, transfer, or delegate its rights or obligations hereunder without Seller's prior express written consent.
15. In the event that any one or more of these terms or conditions is held invalid, illegal, or unenforceable, such provision or provisions shall be severed and the remaining terms and conditions shall remain binding and effective.
16. Waiver by Seller of any breach of these terms and conditions shall not be construed as a waiver of any other breach, and failure to exercise any right arising from any default hereunder shall not be deemed a waiver of such right which may be exercised at any subsequent time.