

ARTICLE 1. ACCEPTANCE OF TERMS

These Terms and Conditions of Sale and Manufacturing Services (the "Agreement") govern all quotations, proposals, purchase orders, manufacturing services, machining services, fabrication services, engineering support services, deliveries, and sales of goods provided by CNC Manufacturing Inc. ("Company") to any customer, purchaser, contractor, reseller, or other party purchasing products or services from the Company ("Customer").

Any purchase order submitted by Customer, any acceptance of a quotation issued by Company, any remittance of payment, or any delivery of materials to Company for processing shall constitute Customer's acceptance of this Agreement. Any terms or conditions contained in a Customer purchase order, acknowledgment, invoice, or other document that differ from, supplement, or conflict with these Terms shall be deemed rejected unless expressly agreed to in writing by an authorized officer of the Company.

No oral statements, prior communications, industry customs, course of dealing, or course of performance shall modify or supplement this Agreement except through a written amendment signed by both parties.

ARTICLE 2. QUOTATIONS, PRICING, AND VALIDITY

All quotations are estimates based upon information supplied by Customer and are subject to verification by Company. Quotations shall remain valid for a period of thirty (30) calendar days from the date of issuance unless otherwise stated in writing.

Quoted prices are based upon the specifications, quantities, tolerances, materials, surface finishes, delivery requirements, and production assumptions existing at the time the quotation is prepared. Any modification to such assumptions may result in revised pricing, revised lead times, or both.

The Company reserves the right to correct clerical, mathematical, typographical, or administrative errors contained within any quotation or proposal.

Unless expressly stated otherwise, all prices exclude freight charges, shipping costs, insurance, customs duties, tariffs, taxes, governmental fees, inspection costs, testing costs, certification costs, and expedited processing fees.

Where significant increases occur in raw material costs, energy costs, transportation costs, tariff obligations, or supplier pricing after acceptance of an order, Company reserves the right to reasonably adjust pricing upon written notice to Customer.

ARTICLE 3. CUSTOMER-FURNISHED DRAWINGS, DESIGNS, AND SPECIFICATIONS

Customer represents and warrants that all drawings, CAD models, blueprints, dimensions, tolerances, material specifications, engineering documents, technical data packages, and manufacturing instructions provided to Company are complete, accurate, and suitable for the intended application.

Company shall be entitled to rely exclusively upon Customer-supplied information and shall have no obligation to independently verify design adequacy, structural integrity, safety factors, regulatory compliance, performance characteristics, or fitness for intended use.

Customer assumes full responsibility for all design decisions and acknowledges that Company acts solely as a manufacturer unless a separate written engineering agreement expressly provides otherwise.

Any recommendations, observations, comments, manufacturability reviews, or engineering suggestions provided by Company shall be deemed advisory in nature and shall not transfer responsibility for product design or performance from Customer to Company.

ARTICLE 4. INTELLECTUAL PROPERTY AND CUSTOMER WARRANTIES

Customer warrants that any product, component, assembly, design, drawing, specification, or process furnished to Company for manufacture does not unlawfully infringe upon any patent, trademark, copyright, trade secret, or other intellectual property right of any third party.

Customer shall defend, indemnify, and hold harmless Company, its officers, managers, employees, subcontractors, successors, and assigns from and against any claim, demand, lawsuit, investigation, judgment, settlement, penalty, liability, or expense arising from allegations that Customer-supplied designs or specifications infringe upon the rights of any third party.

ARTICLE 5. TOOLING, PROGRAMMING, FIXTURES, AND SETUP COSTS

Any tooling charges, setup fees, programming fees, fixture fabrication costs, engineering charges, first article inspection costs, or process development costs identified in a quotation shall be separately billable unless specifically included within the quoted price.

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Unless otherwise agreed in writing, all fixtures, tooling, CNC programs, manufacturing methods, work holding systems, process sheets, setup documentation, machining strategies, and related manufacturing know-how developed by Company shall remain the sole and exclusive property of Company regardless of whether Customer contributed financially toward such development.

Company shall have no obligation to release CNC programs, setup sheets, fixture designs, manufacturing procedures, or proprietary production data.

ARTICLE 6. CUSTOMER-SUPPLIED MATERIALS

Where Customer supplies raw material, castings, forgings, weldments, or semi-finished components for processing, Customer assumes all risk associated with material quality, consistency, composition, suitability, machinability, and dimensional condition.

Company shall not be responsible for scrap, damage, tool breakage, production delays, dimensional variation, or additional labor resulting from defects or inconsistencies in customer-furnished materials.

Should Customer-supplied material prove unsuitable for processing, Company may suspend work until replacement material is provided and may invoice Customer for all labor and costs incurred prior to suspension.

ARTICLE 7. DELIVERY, LEAD TIMES, AND FORCE MAJEURE

Any delivery date provided by Company shall constitute a good-faith estimate only and shall not be construed as a guaranteed delivery obligation.

Company shall not be liable for delays resulting from equipment breakdowns, labor shortages, material shortages, supplier delays, transportation interruptions, utility failures, governmental actions, acts of war, terrorism, natural disasters, pandemics, strikes, civil disturbances, cyber incidents, or any other circumstance beyond Company's reasonable control.

Under no circumstances shall delayed delivery entitle Customer to recover consequential damages, lost profits, production losses, liquidated damages, penalties, or other indirect damages.

Company reserves the right to make partial shipments and invoice accordingly.

Risk of loss and title transfer to Customer immediately upon delivery of goods to a common carrier, Customer's designated representative, or Customer's facility, whichever first occurs.

ARTICLE 8. INSPECTION, ACCEPTANCE, AND REJECTION OF GOODS

Customer shall inspect all goods immediately upon receipt and shall provide written notice of any alleged nonconformity within ten (10) business days.

Such notice shall include detailed descriptions of the alleged defect, supporting documentation, inspection reports, photographs, and affected quantities.

Failure to provide written notice within the specified inspection period shall constitute irrevocable acceptance of the goods.

No goods may be returned without prior written authorization from Company. Unauthorized returns may be refused and returned at Customer's expense.

Company reserves the right to inspect any allegedly defective product before determining the validity of a claim.

ARTICLE 9. LIMITED WARRANTY

Company warrants solely that products manufactured by Company shall substantially conform to mutually agreed specifications at the time of shipment.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, COMPANY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, OR PERFORMANCE.

The exclusive warranty period shall be ninety (90) days following shipment unless otherwise stated in writing.

This warranty shall not apply to defects arising from improper installation, misuse, abuse, neglect, unauthorized modification, customer-supplied materials, improper storage, excessive wear, environmental conditions, or use outside intended operating parameters.

ARTICLE 10. EXCLUSIVE REMEDIES

Customer's sole and exclusive remedy for any breach of warranty or alleged nonconformity shall be limited, at Company's sole election, to:

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- (a) repair of the affected goods;
- (b) replacement of the affected goods; or
- (c) refund of the purchase price actually paid for the affected goods.

The foregoing remedies are exclusive and replace all other potential remedies available at law or in equity.

ARTICLE 11. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY LAW, COMPANY'S TOTAL AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO ANY ORDER, PRODUCT, SERVICE, TRANSACTION, OR CLAIM SHALL NOT EXCEED THE AMOUNT ACTUALLY PAID TO COMPANY FOR THE SPECIFIC GOODS OR SERVICES GIVING RISE TO THE CLAIM.

IN NO EVENT SHALL COMPANY BE LIABLE FOR LOST PROFITS, LOSS OF REVENUE, LOSS OF USE, LOSS OF BUSINESS OPPORTUNITY, COST OF SUBSTITUTE GOODS, PRODUCTION DOWNTIME, RECALL EXPENSES, REPUTATIONAL HARM, INCIDENTAL DAMAGES, INDIRECT DAMAGES, CONSEQUENTIAL DAMAGES, EXEMPLARY DAMAGES, SPECIAL DAMAGES, OR PUNITIVE DAMAGES OF ANY KIND, REGARDLESS OF THE LEGAL THEORY ASSERTED.

These limitations shall apply even if Company has been advised of the possibility of such damages.

ARTICLE 12. PAYMENT TERMS

Invoices shall be due and payable according to the payment terms stated on the quotation, purchase order acknowledgment, or invoice.

Past due balances shall accrue interest at the lesser of one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law.

Customer shall reimburse Company for all collection costs, attorney fees, court costs, expert fees, and related expenses incurred in collecting overdue amounts.

Company reserves the right to suspend performance, withhold shipments, cancel pending orders, or require advance payment whenever Company reasonably believes Customer's financial condition has become impaired.

ARTICLE 13. CONFIDENTIALITY

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Each party agrees to maintain the confidentiality of proprietary business information disclosed by the other party and to use such information solely for purposes of fulfilling the parties' business relationship.

The obligations contained herein shall survive termination of the parties' relationship for a period of five (5) years.

ARTICLE 14. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed under the laws of the State of Pennsylvania, without regard to conflict of law principles.

Any dispute arising under or relating to this Agreement shall be brought exclusively in the state or federal courts located within Chester County, and the parties irrevocably consent to the jurisdiction and venue of such courts.

ARTICLE 15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, representations, understandings, and agreements relating to its subject matter.

No waiver, amendment, modification, or supplement shall be effective unless in writing and signed by an authorized representative of Company.

If any provision of this Agreement is determined to be unenforceable, the remaining provisions shall remain in full force and effect.