



**AMERICAN GFM
CORPORATION
TERMS AND CONDITIONS**

Tel: (757) 487-2442
Fax: (757) 487-4712

Proposal No. _____

Date _____

INTRODUCTION

These general Terms and Conditions shall apply, except as varied by express agreement accepted in writing by both parties.

1. PRICES:

- a) Are subject to change without notice at any time prior to acceptance of your order by American GFM Corporation.
- b) Become firm upon our acceptance of your order as evidenced by our written acknowledgment.
- c) Are F.O.B. Chesapeake, Virginia.
- d) Are subject to an increase equal in amount to any tax, customs duty or similar charge we may be required to collect or pay upon the sale or shipment of the products covered by your order and any tax (other than income tax) on us measured in whole or in part by the amount of such sale. If not included in the invoice for such products, such amount may be invoiced later.
- e) Are subject to increase to reflect the impact of any tariffs, duties, or similar governmental charges imposed on the products covered by your order after the date of our confirmation form or proposal form. If not included in the invoice for such products, such amount may be invoiced at a later date.

2. PAYMENT TERMS:

See Proposal.

3. SHIPMENT SCHEDULE:

Prior to receiving your order, we can give you approximate shipment date. The date of shipment is governed by the number and types of machines already in our work schedule when we receive your order. We will give you a firm shipment date at the time you place your order and its acceptance is confirmed in writing by American GFM Corporation. This shipment date is subject to delays described in Section 10 below.

4. GUARANTEE OF MATERIAL AND WORKMANSHIP:

The equipment covered by your order is guaranteed against defects in material and workmanship for twelve months from the date of shipment, provided that, during this period, it has remained in your possession as original user, and that it has been given normal and proper usage as specified by us.

During the period of guarantee, we will repair or furnish free of charge, F.O.B. our factory, any equipment or part which our inspection shows to be defective, provided that, upon our request you will return to us at our expense the defective equipment or part.

In no case shall equipment or parts be returned to us without our prior written authorization.

This guarantee in respect of repair or replacement of equipment or parts and any additional warranty or representation expressly set forth in writing by us as a part of your order are in lieu of all other warranties express or implied in respect of any equipment or part thereof covered by your order.

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NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY, EXCEPT AS SO SET FORTH.

5. LIMITATION OF LIABILITY:

Our liability on any claim of any kind, including negligence, for any loss or damage arising out of, connected with, or resulting from your order or from the performance or breach of the terms thereof, or from the design, manufacture, sale, delivery, resale, installation, technical direction of installation, inspection, repair, operation or use of any product or part thereof shall in no case extend beyond the repair or replacement of defective products or parts thereof.

Under no circumstances shall we have any liability whatsoever for loss of use or for any indirect, incidental or consequential damages, including loss of production and profits, labor and material expended, damage to workpieces, overhead costs or other loss or expense occurred by you, attributed to a defective product or to delay in delivery of any product sold hereunder.

6. SAFETY AND INDEMNIFICATION:

You shall use and shall require your employees to use and follow all guards, safety devices and operating instructions provided with the product. We shall have no responsibility where such guards, safety devices or instructions have been altered or removed, or where the product has been modified, repaired or rebuilt with parts other than those supplied by us, and you shall indemnify and save us harmless from any liability or obligation incurred by us by reason thereof.

7. DESCRIPTIONS, SPECIFICATIONS, ETC.:

- a) Descriptions, specifications, drawings, models, samples, affirmations and other data and particulars issued in writing or verbally by us or on our behalf in connection with our sales proposal are not warranted, and we will not be bound thereby unless such information is confirmed in writing as a term of an accepted order.
- b) All drawings and other materials provided by us with our sales proposal are confidential and for informational purposes only, and we reserve the right to make, at any time, such changes in design or construction as shall in our sole judgment be advisable. Information specially prepared by us for presentation in our sales proposal is for your use solely in appraising the purchase of our products described and is not to be transmitted to others or used to the detriment of our competitive position. We shall be free to use in any manner we see fit all drawings and designs resulting from our efforts, whether or not they relate to special machines, fixtures or tooling, and whether or not they are quoted separately.
- c) The designs and specifications of all products sold by us are subject to change without notice, and, in the event of any such changes, we will have no obligation whatsoever to make similar changes in a product previously ordered by you.

8. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970:

We will use our best efforts to ensure that all products comply with the standards promulgated under the Occupational Safety and Health Act of 1970 where such standards are specific. The balance of the standards will be complied with as interpreted by us on a best efforts basis. If your interpretation differs significantly with ours, we reserve the right to separately quote the additional costs to comply with the standards as you might interpret them.

Since these standards are continually evolving, and since they are subject to considerable interpretation by a third party, we cannot guarantee or warrant compliance with such standards. Such compliance shall be solely your responsibility.

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9. CANCELLATION, DELAYS:

- a) You may not cancel all or part of your order without our written consent.
- b) We shall have the absolute right to cancel and refuse to complete your order: (1) If at any time all terms and conditions governing your order, including any requirement of advance payment, progress payment or posting of security, are not strictly complied with by you, and such default or breach is not remedied immediately upon receipt of notice from us specifying the default or breach; and (2) If at any time you become insolvent or are admitted to any procedure for settlement of debts or bankruptcy. In such case, you shall be obligated to pay us immediately the full costs of all of our work on your order, including without limitation all overhead costs and profit on all work completed as determined by us in accordance with our standard accounting practices, plus a charge for any packing, storage and shipping.
- c) Upon completion of your order, if shipment is delayed due to your failure to provide necessary information, test parts, inspections, approvals or any other action on your part, we may invoice you for full payment at the time we are prepared to make shipment, and full payment shall be due immediately. Title to products held for you in our plant shall thereupon pass to you; risk of loss and expense shall be in you, unless otherwise agreed; and we reserve the right to make a reasonable storage charge for the products held for you.

10. DELAYS:

- a) All orders are accepted with the understanding that they are subject to our ability to obtain the necessary raw materials, and all orders as well as shipments applicable thereto are subject to our current work schedules, and government regulations, orders, directives, and restrictions that may be in effect from time to time.
- b) We will not be liable for any delay in the performance of your order, or in the delivery or shipment of goods, or for any damages suffered by you by reason of such delay, when such delay is, directly or indirectly, caused by, or in any manner arises from, fires, floods, accidents, riots, acts of God, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, transportation delays, or any other cause or causes (whether or not similar in nature to any of those specified) beyond our control.
- c) In the case of any such delay, we will use our best efforts to correct it as soon as possible and will reinstate your order at the earliest possible date.

11. ACCEPTANCE OF ORDERS:

Orders based on our sales proposal are subject to acceptance by American GFM Corporation and only in writing, and no contract shall be deemed to have been created until such written acceptance has been mailed or delivered to you by us.

12. TITLE:

Except as provided in Section 9 above, delivery of equipment to the carrier by us, consigned to you or as you may direct, shall constitute transfer of title, ownership, possession and property in and to the equipment at such point of delivery, and such carrier shall thereafter be deemed to be acting for you and the equipment shall thereafter be at your risk.

13. INSTALLATION SUPERVISION:

Installation supervision is not included in the prices quoted, unless specifically stated, and shall be the subject of a separate quotation.

14. PATENTS:

You shall hold us harmless for any expense or loss resulting from infringement of patents or trademarks arising from

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compliance with your designs or specifications.

15. GOVERNING LAW, ENTIRE AGREEMENT, ETC.:

Our sales proposal, any accepted order and these terms and conditions shall be governed by and construed in accordance with the laws of the State of Virginia.

Your order as accepted in writing by us and these terms and conditions contain the entire agreement between us and there are no representations, understandings, or agreements, oral or written, which are not included therein. Our failure to exercise any right hereunder, or to take any action permitted on a breach by you, shall not be deemed a waiver thereof or of other rights or breaches of a like or different nature. No waiver shall be effective unless specifically made in writing, and signed by a duly authorized representative of the party making such waiver. This agreement cannot be changed except by the duly authorized representatives of both parties in writing.