

TERMS AND CONDITIONS

1. **Terms.** These Terms and Conditions and the terms set forth on the reverse side hereof or in any invoice or other document to which these Terms and Conditions apply (collectively “Terms”) supersede any contrary provisions presented in writing or otherwise by any buyer (“Buyer”), and the Terms may not be changed other than by a writing signed by an authorized representative of Chapel Steel Corp. (“Chapel”). To the extent that the Terms constitute or relate to an acceptance by Chapel of an offer by Buyer, the acceptance is expressly conditioned on Buyer’s assent to provisions in the Terms which are additional or different to those presented by Buyer. To the extent that any portions of the Terms constitute or relate to an offer, acceptance of the offer is expressly limited to the terms of the offer.
2. **Price and Payment.** Except as otherwise expressly provided in the Terms, prices are subject to change at any time without notice and are payable in full net 30 days after invoice. All price and payment terms are subject to credit approval by Chapel. Buyer shall pay to Chapel a late charge on all past due amounts at the lower of the rate of 1 ¼% per month or the highest rate permitted under applicable law and shall in addition pay Chapel all costs and reasonable attorneys’ fees incurred in collecting past due amounts.
3. **Delivery, Acceptance and Force Majeure.** Chapel will use reasonable efforts to meet delivery and shipping dates in the Terms, but such dates constitute good faith estimates only, and Chapel will not be responsible for failure to meet any specific date, so long as it acts in good faith. All claims for defects, errors or shortages with respect to delivered goods must be given in writing by Buyer to Chapel within seven days after discovery of such defects and, in the absence of such notice, all goods shall irrevocably be deemed accepted and in conformance with all applicable requirements for the goods. Chapel will not be responsible for delays for reasons beyond Chapel’s reasonable control. In the event of such a delay, all delivery and other deadlines shall be extended for the period of the delay.
4. **Warranties.**
 - A. Except as limited by the provisions of the Terms, Chapel warrants that goods covered by the Terms will conform to the description in the Terms and, at the time of delivery, will be free from material defects of workmanship or materials. Chapel’s sole responsibility under this warranty shall be, at its own expense, to repair and replace any goods which do not conform to the warranty, if Chapel receives notice of the defect within the time provided in Paragraph 3 before the goods are accepted. The warranty shall not apply to any claimed defect caused by the negligence or intentional misconduct of Buyer or any party acting for or on behalf of Buyer.
 - B. EXCEPT AS EXPRESSLY PROVIDED IN SUBPARAGRAPH A, CHAPEL DOES NOT MAKE AND DISCLAIMS EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE GOODS COVERED BY THE TERMS, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
5. **Limitation of Remedy.** Buyer’s sole and exclusive remedy for any matter or claim or relating to the goods covered by the Terms whether in contract, tort (including negligence) or otherwise shall be repair or replacement of the goods in accordance with the warranty provisions of Paragraph 4, subject to all limitations therein. IN NO EVENT WILL CHAPEL BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, EVEN IF CHAPEL WAS ADVISED OR AWARE OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Compliance with Law.** Upon Buyer’s reasonable request and to the extent required by applicable law or regulations, Chapel will provide to Buyer certifications of compliance with applicable law, and Chapel specifically represents that all goods delivered in accordance with the transactions provided for in the Terms will be produced in compliance with the Fair Labor Standards Act of 1938, as amended.
7. **Applicable Law.** Pennsylvania law shall govern the validity, construction, interpretation and effect of the Terms and all transactions to which the Terms relate, without regard to principles of choice or conflicts of law.

