

CUSTOM HYDRAULIC AND MACHINE, INC.
General Terms and Conditions of Sale

1. **Entirety of Agreement:** Custom Hydraulic and Machine, Inc. ("CMC") offers to furnish the goods specified in this purchase agreement (collectively, "this Order") solely under these Terms and Conditions. Any different or additional terms or provisions contained in any other writing between CMC and Purchaser (collectively, "the Parties"), including a purchase order or similar buyer or seller document, are expressly rejected. Purchaser's acceptance of CMC offer to furnish the goods specified in this purchase agreement is expressly conditional on Purchaser's assent to these Terms and Conditions.
2. **Minimum Order Value:** Unless otherwise arranged, the minimum value of this Order is two-hundred (\$200.00) U.S. dollars.
3. **Acceptance and Pricing:** This proposal for sale is made for immediate acceptance and is void at CMC option unless accepted by Purchaser within thirty (30) days. Pricing pertains to the part number and revision named in the purchase agreement, and to the quantities and delivery terms specified in the purchase agreement. Pricing does not include Federal, State, Local, or Excise taxes, which are the responsibility of Purchaser.
4. **Changes:** If Purchaser requests a change to this Order, including any modifications to drawings, specifications, and/or the delivery quantity or schedule, Purchaser shall request such change in writing through a Change Order. CMC shall promptly notify Purchaser if any requested change will cause an increase or decrease in the price of this Order or in the time required for its delivery, and may request an equitable adjustment to this Order price and/or delivery schedule. The Change Order shall not be binding upon until the Change Order and any applicable equitable adjustment are mutually agreed to by the Parties and confirmed in writing as an amendment to this Purchase Agreement. Failure of the Parties to agree may be deemed a dispute governed by the Disputes Clause of these Terms and Conditions.
5. **Communications:** All notices, agreements, and other communications required or authorized under this Order shall be given in writing either by personal delivery, electronic communication (with electronic receipt), or registered mail addressed to the respective Party at the address indicated in this purchase agreement.
6. **Payment Terms:** Payment terms are net thirty (30) days from date of invoice, unless otherwise stated on the front of this purchase agreement, where Purchaser's satisfactory open account credit is established and maintained. CMC reserves the right to revoke or modify Purchaser's credit at its sole discretion. In the event that Purchaser defaults on its obligation to pay each invoice when due, in addition to all other rights and remedies available to it, CMC shall have the option to withhold any further shipments of goods and/or the provision of services, if any, until Purchaser's account is fully paid.
7. **Shipment:** All goods will be shipped FOB shipping point, freight collect. Purchaser must list its preferred carrier(s) on the purchase agreement. In the event that Purchaser does not provide a freight collect account number, fees will be added to the price of this Order to cover the cost of each shipment.
8. **Cancellation and Deferred Delivery:** Once placed, this Order may not be cancelled or altered, nor may deferred deliveries of goods completed or in process be extended beyond the original specified delivery dates, except with CMC's express written consent pursuant to the Changes Clause of these Terms and Conditions, and upon terms which indemnify CMC from any associated loss. In the event of a request from Purchaser that work under this purchase agreement be stopped, or that any portion of the work under this purchase agreement be cancelled, cancellation charges shall be computed as follows:
 - Any work in process which is scheduled for completion within thirty (30) days of the date of cancellation will be shipped to Purchaser and invoiced for the full purchase price; and
 - Any work in process which is not scheduled for completion within thirty (30) days of the date of cancellation will be invoiced on the basis of CMC direct and indirect costs, plus 25%, such costs to include labor, services, materials, or supplies used or incorporated into the work, as well as any commitments for same by CMC to third parties in connection with the purchase agreement; and
 - All associated cancellation, restocking, packing, and freight charges charged to CMC by its vendors or suppliers will be paid by Purchaser.
9. **Warranty:** CMC warrants to Purchaser that all goods delivered under this purchase agreement will be free of defects in materials and workmanship, and will conform to the applicable specifications and drawings that have been agreed by the Parties. This warranty period shall extend to the date of acceptance of the goods by Purchaser or to ten (10) days after receipt of the goods, whichever date is earlier. THIS WARRANTY IS IN LIEU OF ANY AND ALL WARRANTIES EXPRESS OR IMPLIED, WHETHER WRITTEN OR ORAL, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED. Under no circumstances is CMC responsible for any form of consequential damages beyond the price of the goods delivered under this purchase agreement. No damages or charges of any kind, whether for labor, expenses, or otherwise, incurred by Purchaser in repairing or replacing defective goods or occasioned by such goods, will be allowed, regardless of whether such goods are used by Purchaser singly or as components in other products.
10. **Nonconforming Goods:** Final inspection and acceptance or rejection of goods shipped under this purchase agreement must be made by Purchaser within ten (10) days after receipt of the goods. Failure of Purchaser to reject the goods within ten (10) days after receipt will constitute acceptance. Should Purchaser reject any goods for failure to conform to the applicable specifications and drawings agreed to by the Parties, or any other term of this Order, Purchaser will notify CMC of the rejection, giving detailed reasons for the rejection. CMC will then have the option to repair or replace the nonconforming goods within thirty (30) days. Under no circumstances is CMC responsible for any form of consequential damages beyond the price of the goods. No damages or charges of any kind, whether for labor, expenses, or otherwise, incurred by Purchaser due to nonconforming goods will be allowed, regardless of whether such goods are used by Purchaser singly or as components in other products.
11. **Returned Goods:** Goods shipped under this purchase agreement may not be returned by Purchaser without prior written notification to and receipt of a Return Material Authorization ("RMA") number from CMC. The RMA number must appear on all returned packages and documentation; failure to do so may result in non-acceptance of the returned goods. Returned goods must be shipped in appropriate containers to prevent damage during shipment. Any costs associated with return shipping are Purchaser's responsibility. If CMC determines that it is obligated to replace the returned goods, it will do so promptly.
12. **Claims:** Claims for shortages in shipment, nonconforming goods, or errors must be reported to the Quality Department at CMC in writing within ten (10) days after receipt of this Order. Claims for shortages or damage caused by the delivery carrier should be made directly with the carrier. Claims for defective goods must be inspected and approved by CMC before credit can be issued.
13. **Limitation of Liability:** CMC shall not be liable for any indirect or consequential damage arising out of or related to its performance under this purchase agreement, whether based on breach of the agreement, warranty, or negligence, and whether grounded in tort, contract, civil law, or other theories of liability. CMC total liability under this purchase agreement shall not exceed the value of the goods delivered under this purchase agreement.
14. **Force Majeure:** CMC shall not be liable for any loss or damage of any kind resulting from delay, or inability to deliver or to perform any work under this purchase agreement on account of fire, flood, labor problems, accidents, acts of civil or military authorities, acts of God, or from any other cause beyond CMC control.
15. **Export Controls:** CMC sells goods to foreign and U.S. customers. If Purchaser is a foreign entity, CMC may require that Purchaser provide an End User Statement in a format supplied by CMC. If Purchaser is a foreign entity, CMC acceptance of this Order is conditional upon CMC receipt of the End User Statement from the foreign entity, and CMC receipt of the appropriate U.S. Government export license or authorization to ship this Order to the foreign entity. If Purchaser is a domestic entity that intends to export any or all of this Order, CMC acceptance of this Order is conditional on Purchaser's provision of an End User Statement in the format supplied by CMC, and the number of the appropriate U.S. Government export license or authorization, or sufficient evidence of Purchaser's application for the necessary export license or authorization. By accepting this purchase agreement, such Purchaser shall be the exporter of record of the export of any or all of this Order, and such Purchaser affirms its compliance with all applicable U.S. export controls. If such Purchaser exports any or all of this Order, it does so at its sole responsibility, and exempts CMC from any liability related to such export.
16. **Intellectual Property Rights:** Delivery of any goods under this purchase agreement shall not constitute or be construed by Purchaser as a grant of any express or implied license or any other right to use CMC patents, trademarks, copyrights, or other intellectual property. Nor shall delivery of any goods under this purchase agreement constitute or be construed by CMC as a grant of any express or implied license or any other right to use Purchaser's patents, trademarks, copyrights, or other intellectual property, except as necessary for performance of work under this purchase agreement or any resulting agreement. Purchaser will hold harmless and indemnify CMC against all claims, judgments, costs, and fees, including attorneys' fees, relating to infringement of patents, designs, copyrights, trademarks, or other intellectual property with respect to any goods manufactured in accordance with specifications or designs supplied by Purchaser.
17. **Default:** Purchaser shall be in default of this purchase agreement upon the occurrence of, but not limited to, any of the following:
 - Purchaser's failure to make due and punctual payment of any payment due pursuant to this purchase agreement;
 - Purchaser's failure to perform any obligations under this purchase agreement; or
 - Material deterioration of Purchaser's financial position, and/or Purchaser's cessation of business as a going concern.In the event Purchaser defaults in its obligations under this purchase agreement, Purchaser shall be liable for CMC costs of collection, including reasonable attorneys' fees.
18. **Enforcement and Severability:** Any failure by either Party to enforce any provision of this purchase agreement or of these Terms and Conditions will not constitute a waiver of the provisions or prejudice the right of either Party to enforce the provisions at a subsequent time. If any provision of this purchase agreement or of these Terms and Conditions becomes void or unenforceable by force or operation of law, the other provisions will remain valid and enforceable.
19. **Disputes:** The laws of the State of Washington shall govern the rights and duties of the Parties arising under this transaction and purchase agreement. The exclusive venue of any dispute or litigation arising out of this transaction and purchase agreement is on a court of competent jurisdiction in King County, Washington.
20. **Credit Card Payments:** Credit card payments will be subjected to a processing fee of 3%.
21. **Unpaid Invoices:** Unpaid invoices will accrue 1.5% per month interest based on the unpaid balance.