

# Commercial Machine Inc. Standard Terms and Conditions of Sale

**(Terms and Conditions attached to Quotations supersede these terms)**

The following standard Terms and Conditions are in place to ensure that all customers' projects will go as smoothly as possible. They have been developed from over sixty years of experience and are designed to prevent surprises for either party. Any exceptions to these Terms and Conditions must be specifically noted on a job-by-job basis.

**Lead Time:** Lead times quoted are estimated and are not guaranteed. Lead-times may vary due to current workload, material availability, job complexity and quantity of order. Once a Purchase Order is received, prices and current lead times will be confirmed to the customer.

**Pricing:** All prices are quoted based on the totality of the information provided to us at the time of quoting. Prices are valid for 30 days. Quoted prices are sensitive to total quantities, delivery frequency and batch size. Any changes to total quantities, batch sizes or delivery requirements from what was quoted can affect the price.

**Purchase Order:** A written purchase order is required for all orders. All purchase orders will be reviewed against our quotation for accuracy. Any changes to the scope of the project subsequent to the quote will require a re-evaluation of the quote. Any additions/supplements added to an accepted purchase order will be reviewed on a case-by-case basis.

Initial work on the project will not begin until the requirements of the project are accurately defined, prices are agreed upon and reflected in the purchase order, and all information and materials to be provided by the customer are received.

**Quantities:** Buyer agrees to accept over/under runs not to exceed 10% of ordered quantity on each line item. Closer control of quantity requires special arrangements with the service provider.

**Electronic Files / Drawings:** Programs are created from the solid model files supplied to us are presumed that the customer supplies *accurate* electronic models and drawing files. Commercial Machine Inc. is not responsible for errors in models and/or drawing files supplied by the customer. **All drawings must be submitted in Imperial Format.** Additionally, and unless specifically quoted, Commercial Machine is not responsible for verifying the model files against the drawing files. Simply specifying that the drawing file or the model file takes precedence over the other file is not an acceptable solution since both files need to match in order for us to perform our job.



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If errors in the customer-supplied files are discovered while parts are in-process, additional charges will be incurred on a “time and material” basis as needed to correct the errors. The customer will be advised of any extra charges and a purchase order or P.O. revision will be required to cover the charges *before* work can resume. If errors in the model and/or drawing files are found after the parts are completed, the customer is obligated to buy the parts at the quoted price.

**Customer Delays and/or Holds:** Your parts are being produced on high-cost, high-volume equipment. It is therefore very costly for a machine to sit idle while waiting for information from the customer. In the event of delays or order holds caused by inaccurate or incomplete information, or other customer-related reasons, it will be necessary to pass additional charges onto the customer. In cases of customer changes, depending on the length of delay, it may be necessary to pull the job out of the machine. If that occurs, additional setup charges will be incurred. Work will not proceed on the project and a new delivery date will not be established until we receive a purchase order or P.O. revision for the additional charges.

**Non-Recurring Engineering (NRE) Charges:** Whether quoted separately, or amortized into the piece price, Commercial Machine always incurs NRE costs. Those costs include fixturing, engineering, programming, tooling, set-ups, etc. Each quotation will include NRE charges based on the information that we have been provided at the time of quotation. If at any point it becomes obvious that the scope of the project has exceeded what was included for NRE costs, it will be brought to the customers attention and a resolution as to how to handle potential extra costs will be determined before proceeding any further.

**Expedited and Minimum charges:** Commercial Machine will quote expedited surcharges upon request. When expedited services are required, minimum charges for our services as well as our outsourced service providers will usually be necessary. If a project needs to be expedited, please contact our sales department to discuss the best options available.

**Cancellations:** Orders may be cancelled, or deliveries deferred only upon condition that the buyer assumes immediate liability and makes payment for all work completed and in process. Such charges shall include raw material, unamortized tooling, engineering, handling, overhead, production, and outside cost, i.e., heat treat and plating. Such charges will be determined at the time of cancellation or deferment.

**Delivery/Shipments:** Seller shall not be liable for damages for default or delay in production or delivery for causes beyond his control including an accident to or breakdown of his equipment, labor disputes, embargoes, acts of God, supplier delays, government restrictions, riot, or carrier delays. Bulk packaging is standard. The buyer shall bear the expense of all other packaging.



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**Taxes:** All sale and/or use taxes and Custom duties imposed by Federal, state, county or municipal authority upon seller's transfer and delivery of merchandise hereunder shall be paid by the buyer.

**Samples:** If requested, the seller will submit samples for approval when commencing production upon any order. It is understood that seller's machines are to be run immediately. Any changes in original specifications will be made only at the buyer's direction and expense. The seller will be notified immediately with notice followed by written confirmation.

**Claims:** In all claims for shortages, buyer must notify seller within 5 days of receipt of shipment. Charges for repair or inspection of parts by buyer, without prior authorization, cannot be honored. Claims will not be honored on those parts further processed by the buyer resulting in a change of dimensions or characteristics from parts ordered.

If parts are returned, they must be packed with the same care as they were originally packed by Commercial Machine. Commercial Machine is not responsible for parts damaged in return shipments by the customer.

**Tools, Dies, and Gages:** Tools, dies, gages, and fixtures are an integral part of the manufacturing process and included in engineering charges. As a proprietary item, payment by the buyer, whether separately quoted or not, conveys neither ownership nor the right of removal from the seller's plant.

**Patents:** The products hereunder are manufactured in accordance with the buyer's specifications and design. Accordingly, buyer shall defend and save harmless service providers from all damages, claims, actions, or suits based upon actual or alleged infringement of any patent registered in the U.S. or elsewhere.

**Warranty:** Seller warrants that goods manufactured by him will conform to the drawings and specifications furnished by buyer. Where products are used and combined with other equipment or components not furnished by the seller, the buyer agrees to indemnify the seller for all claims and expenses resulting from the use of incorporation into buyer's products. No express or implied warranty of merchantability or fitness for use is made except as provided herein.

**Limited Liability:** The seller's liability shall be limited to the amount of the contract. The foregoing states the seller's entire and exclusive liability. In no event will the seller be liable for consequential or special damages arising from any defect or use of his product.

**Recovery of Costs:** If any legal action or other proceeding is brought for the interpretation or enforcement of this agreement, or because of an alleged breach, default or other dispute in connection with any of the provisions of this agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, whether for



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negotiation, trial, appellate, bankruptcy or other services, and other costs incurred in the action or proceeding, and in to any other relief to which it or they may be entitled. In addition, a 1.5% monthly late fee will be applied to all invoices outstanding beyond 90 days.

**Governing law; Venue:** This agreement shall be governed in all respects by the laws of the State of Massachusetts, and the parties agree that the appropriate venue for any dispute involving issues arising from this agreement shall be Hampden County, Massachusetts.

**Entire Agreement:** This document contains the entire agreement of the parties relating to this subject matter, may not be changed, or modified except by instrument in writing executed by the parties, and is binding upon the heirs, successors, personal representatives and assigns of the parties. Any other attempted modification shall be void and not admissible in evidence in any action arising from this agreement.

### CONTACT INFO

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