

Pyramid Precision Machine - Sales Terms and Conditions

1) TERMS OF OFFER

BUYER shall be deemed to have accepted the offer of Pyramid Precision Machine, Inc. (hereinafter referred to as the "SELLER") when BUYER accepts delivery of the items shipped pursuant to BUYER's order. After acceptance by BUYER, no cancellation, change in quantity, or modification of delivery schedule may be made without the written consent of SELLER.

2) CLAIMS FOR DAMAGES

Claims for damages or shortages must be made within 10 days. SELLER hereby certifies that these goods were procured in compliance with all applicable requirement of sections 6, 7 and 12 of the Fair Labor Standards Act as amended, and of regulations and orders of the United States Department of Labor issued under section 14 thereof. SELLER reserves the right to replace and re-bill any parts rejected or returned.

3) DELIVERY

Every reasonable effort will be made to deliver as promised. However, SELLER is not liable for nonperformance, delay, loss or damage to items, in whole or in part, caused by an act of God, or the public enemy, or by labor troubles, lockouts, strikes, riots, fires, storms, terrorism, earthquakes, floods, explosives, breakdowns of machinery, railroad embargoes, government interventions, acts of war or other causes affecting it, or its sources of supply. In the event of a delay caused by any of the foregoing, BUYER agrees to extend the time of delivery for a period equal to the period of delay. If the BUYER delays performance or shipment, the items shall be paid for when they are ready to be shipped, according to payment terms. Partial deliveries shall be conclusively presumed to be separate contracts and failure to make payment therefore when due shall entitle SELLER to require advance payment on all later delivery on this and any other order until all past due payments have been made.

4) WARRANTY

The SELLER's liability for defective goods is limited to the repair or replacement of such goods at the SELLER's election and then only when the SELLER is provided written notice of the defect within thirty (30) days after the delivery of the merchandise together with reasonable evidence of the claimed defect. The SELLER shall not in any event be liable for any consequential or other damages. The SELLER will not be liable for any parts supplied by the SELLER on which any form of fabrication has been performed by the BUYER. The SELLER will not be liable for any defects in a finished product manufactured by the BUYER in the event that the part supplied by the SELLER is found to be defective in any manner. SELLER reserves the right to replace and re-bill any parts rejected or returned. If nonconforming goods are shipped they shall be sent merely for accommodation of the BUYER.

5) *RETURN MATERIAL AUTORIZATION (RMA)*

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A statement detailing the failure mode is needed to assign an RMA number. Receipt of an RMA number is the only authorization to return goods to the SELLER. Goods returned without a number will not be accepted. BUYER will be advised of disposition or credited (whichever applies) after inspection of goods. Returns will not be accepted unless each carton is clearly marked with the assigned RMA number provided by SELLER and clearly marked Attn. QA Manager. Shipments should go prepaid unless approved collect by SELLER. SELLER must specify carrier if shipped collect. No credit will be issued on product returned as damaged if damage was caused by improper application, re-machining or tampering. Defects must be SELLER'S material or workmanship related. Credit will be calculated based on the original order specified by buyer. If original order number is not supplied, credit can not be issued. All returns are subject to inspection. If return is due to SELLER error or defective material, credit will be issued to cover cost of goods and freight. If return is due to a BUYER'S error and goods are new and unused, showing no evidence of having been in service, there will be a handling and /or repair adjustment charge.

6) CANCELLATIONS

The BUYER shall be charged the sales price for any work cancelled at their request after its completion. Work cancelled prior to its completion at the request of the customer shall be subject to applicable charges for engineering, tooling, materials and manufacturing costs, overhead expenses and a reasonable profit. If an order is placed on hold the SELLER reserves the right to ship all finished goods or work in process, which is 75% complete prior to actual placement of the hold.

7) ARBITRATION

All disputes, controversies or differences which might arise which cannot be resolved between the BUYER and SELLER shall be resolved by one or more arbitrators in accordance with the applicable rules of the American Arbitration Association. Arbitration proceedings will be held in San Diego, California. The arbitrators sitting in any such proceedings shall have no power to alter or modify any express provisions hereof or to render any award which by its terms effects any such alteration or modification. The expense and fees, other than counsel fees, of any such arbitration proceedings shall be borne equally by BUYER and SELLER. The award of the arbitrator or arbitrators shall be final and binding upon the parties and judgment upon any such award may be entered in any court having competent jurisdiction, and shall be confirmed by the party giving it a signed notice in five (5) business days thereof. Notice shall be deemed given, if properly addressed, when it is deposited with the United States postal service if by Mail or when received if sent by telegraphic means.

7) AMENDMENT

No verbal agreement nor any change of amendment hereof will be considered binding on SELLER unless so agreed in writing.

9) INTEREST CHARGE

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A charge of 1-1/2% (18% annum) will be charged on all delinquent accounts. The SELLER reserves the right to suspend credit limit at any time when in the SELLER's judgment financial condition of the customer warrants such action.