



# Terms & Conditions

Governing all quotations and purchase orders

The following terms and conditions apply to all quotations and sales by us unless otherwise agreed in either our specific quotation, the order acknowledgement or in a separate writing executed by one of our corporate officers.

## 1. PRICES.

- a. Prices become firm only upon our acceptance of an order as evidenced by our written acknowledgement.
- b. All sales are made f.o.b. plant of manufacture and are subject to all State, County, City and Federal use, sales and excise taxes. If we are required by any taxing authority to collect such tax, such tax will be billed to the Purchaser as part of the selling price, unless an exemption certificate is presented prior to shipment. Whether billed by us originally, Purchaser agrees to pay any such taxes at any time we request. Quoted prices do not include any such taxes or any shipping, special packing or similar charges.

## 2. SHIPPING SCHEDULE.

- a. Quoted delivery dates are not firm. Estimated delivery dates are set when the order has been received and acknowledged by us and the Purchaser has issued a PO and supplied any requested information.
- b. We will not be responsible for delays in delivery caused by:
  - i. Strikes, accidents, inclement weather, failure of our suppliers to deliver and any causes beyond our control,
  - ii. Samples, gauges or any other items needed to complete the testing of the machine before shipment not being delivered to us at least three weeks prior to scheduled shipping date,
  - iii. Purchaser not supplying engineering information, equipment or any other items to be supplied by Purchaser, or
  - iv. Purchaser failing to provide guaranties of its performance if reasonably requested by us.
- c. Acceptance of the products shall constitute a waiver of any claims for delay.

## 3. PAYMENT AND ACCEPTANCE.

- a. Payment shall be:
  - i. Thirty (30) days from date of invoice for all orders less than \$12,000, unless otherwise specified in the quotation.
  - ii. Fifteen percent (25%) down payment with the order, the remainder thirty (30) days from date of invoice for all orders \$12,000 and greater but less than \$70,000, unless otherwise specified in the quotation.
- b. Payments are to be made directly to us or as we direct without deduction or set-off.
- c. Without limiting any other remedies available at law, in equity or pursuant to these terms and conditions, if Purchaser fails to make any payment when due, a monthly late charge of one and one half percent (1-½%) on any and all overdue payments may be charged and we may cancel or interrupt production or installation of any or all products. Additional costs in completing and/or storing the products related to such delays will be Purchaser's responsibility and will be due upon our demand.
- d. Payment of any amount due hereunder or acceptance by Purchaser of any product quoted and ordered is deemed to be an unqualified acceptance of, and a waiver by Purchaser of any and all claims with respect to acceptance of such product unless Purchaser gives us written notice of the claims within ten (10) days after delivery of the applicable product and affords us a reasonable opportunity to inspect such product and make any appropriate adjustments or replacements. The remedies and limitations which are set forth below (Warranty and Remedies Provisions) are the exclusive remedies for products discovered to be defective after acceptance. Purchaser shall not delay payment for the products pending their inspection.



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## 4. WARRANTY AND REMEDIES.

- a. We warrant to purchaser that products designed and manufactured by us have been made in a good and workmanlike manner and are free of defects in material and workmanship. We will repair or replace any products that prove defective under normal operating conditions within:
  - i. Twelve (12) months of shipment from our plant for all service performed on standard (non-high speed) spindles, slides and modules.
  - ii. Six (6) months of shipment from our plant for all service performed on high-speed spindles [a spindle with a DN value greater than or equal to one million, two hundred fifty thousand (1,250,000)] so long as (1) the product has been properly installed, maintained and operated within the limits of its specified rated and normal usage, (2) we are given prompt notice of the defect and (3) the product if we so request is returned, freight prepaid for inspection prior to replacement or repair. Non-performance of the terms and conditions of this contract may void the warranty. All freight charges shall be the customer's responsibility.
- b. All returned product(s) must be sent to an MZI Precision, LLC, accompanied by an email authorizing the return or an RGA number. Additionally, all returned product(s) must be properly packaged so as to prevent damage during shipment. If damage to the returned product(s) appears to be from improper or insufficient packaging, repair of the product(s) will not be covered under warranty.
- c. We make no warranty concerning, and we shall have no liability for any costs related to removing or assembling our product(s) to customer's or end user's machine or equipment, nor shall we have any liability for any cost associated with loss of production, work flow interruption, downtime related costs or other consequential damages, whatever the cause.
- d. We make no warranty concerning and shall have no liability for products or components manufactured or designed by others, except in the case of goods designed by others which we manufacture. We warrant that we have manufactured the goods in conformity with the design. This warranty is for the same period and subject to the same limitations as our warranty for goods designed and manufactured by us.
- e. Except as stated above, we make no warranties expressed or implied, and we specifically do not make any warranty of merchantability or fitness for particular purposes.
- f. Production data supplied by us is based on our analysis and understanding of the limits of accuracy, machinability of materials, amount of material to be removed, handling facilities provided, and locating points, but is an estimate only and is not guaranteed or warranted.
- g. For goods or components manufactured by others, we will use our commercially reasonable efforts to pass any manufacturer's warranty we receive to purchaser. For products or parts, which have an inherent useful life less than our warranty period, our warranty shall be limited to such useful life.
- h. In no event will we be liable for any consequential or incidental damages. Purchaser's sole remedy for breach of warranty shall be the repair or replacement of the defective goods upon return to us.
- i. As the product owner, you should also be aware that we may deny you warranty coverage if your spindle, slide, module or any component part has failed due to abuse, neglect, corrosion or deterioration due to environment, chemical cleaning, improper or insufficient maintenance, disassembly or modifications not approved by us, or by not following manufacturer's directives concerning any of the foregoing.
- j. Our duty to repair or replace shall terminate if unauthorized repairs are attempted, if the product is not properly stored, installed, maintained or operated, or if the product is operated outside the limits of its specifications, ratings or normal applications.
- k. In addition to any other exclusions or limitations contained herein, we will not be liable for any amount in excess of the purchase price of the equipment for any breach of contract or warranty.



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1. Defects caused by normal wear and use of the product(s) are not warranted against, as wear and fatigue can be expected through the use of the product(s), due to the limited service life of components.

## 5. SERVICE.

If service is required, current service rates shall apply. Unless specifically stated in the order acknowledgement, demonstration, special assembly, installation or connection is not included in the price.

## 6. CANCELLATION.

In the event Purchaser cancels all or any part of our order and if such cancellation is received in writing by us more than 30 days before completion of the order or, in case of cancellation of only part of an order, more than 30 days before completion of that part of the order, it will be accepted by us and all work stopped as promptly as reasonably possible against payment of a cancellation charge. The cancellation charge will be computed on the basis of our full cost plus normal profit covering all engineering work, all work in process, all raw materials, all supplies and all commitments made by us in connection with the order, less such allowances as we may be in position to make for any standard components and for the balance of the material as scrap. So long as the cancellation charge is paid upon demand, we will waive other claims. Any cancellation order received 30 days or less before completion of the order or part of the order, as applicable, may be accepted or rejected by us, in our sole discretion.

## 7. STOP WORK OR DELAY.

In the event that we are unable to proceed with the manufacture and shipment of a Purchaser's order due to Purchaser's request or as the direct or indirect result of governmental action or regulation, or in the event that Purchaser requests that we stop work on an order, but not cancel the order, we will so notify Purchaser and may thereafter consider such order as completed in its then state of partial completion. In such case, we will:

- a. Stop all work on the order as promptly as reasonably possible and restart only when the cause of the stop work is removed.
- b. Store all finished and unfinished items.
- c. Invoice Purchaser for the established prices for all completed items, and for incomplete items the full costs incurred by us or by our affiliates, plus normal profit and charge for packing and storing.
- d. Reinstate the order at the earliest possible date, subject to acceptance by Purchaser of prices, terms and shipping schedule quoted preliminary to such reinstatement.
- e. Upon reinstatement, allow Purchaser appropriate credit for parts held in storage by us as Purchaser's property if such parts can still be used in filling the reinstated order.

## 8. TITLE.

Delivery of equipment to carrier by us, consigned to Purchaser or as Purchaser 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 Purchaser and risk of loss of the equipment shall thereafter be Purchaser's risk.

## 9. MISCELLANEOUS.

- a. Except as expressly agreed to in writing by us, all products shall be manufactured in accordance with our standard specifications.
- b. We reserve the right to discontinue deliveries of any product, the manufacture, sale or use of which in our opinion, would result in patent infringement. Purchaser shall indemnify and hold us harmless from any claim, suit or action for patent infringement brought against us, which is based on a design or specification furnished by Purchaser.
- c. Waiver by us of a breach of any one or more of these terms and conditions shall not be construed as a waiver of a breach of any of the other terms and conditions, nor shall a waiver by us of any breach of these terms and conditions be construed as a waiver of any future breach.
- d. The rights and remedies herein reserved to us shall be cumulative and in addition to any other or future rights and remedies provided in law or equity.



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- e. Purchaser grants to us and to our successors and assigns a security interest in and to the products ordered and sold. The security interest hereby created shall secure the payment of the purchase price as set forth in these terms and conditions, together with all costs and expenses, including court costs and attorneys' fees incurred or expended by us in recovering, holding, preparing for sale, selling and otherwise disposing of the products in collecting the indebtedness secured hereby and in enforcing the security interest created hereby. Purchaser agrees to execute, upon request, financing statements deemed necessary or desirable by us to perfect our security interest in the products.
- f. The terms and conditions herein contained and any other terms and conditions stated in this quotation or on our written acknowledgement of the order shall constitute the complete agreement between Purchaser and us and shall supersede all prior oral or written statements of any kind whatsoever made by the parties or their representatives. No statement purporting to modify the said terms and conditions shall be binding unless expressly consented to in writing by a duly authorized representative of us in a document making specific reference to the order.
- g. No contract is final and binding until final acceptance by us and issuance of our order acknowledgement.
- h. This Agreement shall be an California contract and shall be interpreted and administered for all purposes under the laws of California. Purchaser agrees that jurisdiction and venue for any action relating to any contract between Purchaser and us is proper in any jurisdiction in which we have a factory and which participated in the production of goods or performing services relating to the contract.
- i. Our original design and all contributing information is confidential and prepared for customer's use in considering purchase of our equipment, including any modifications thereof. Each recipient of such information agrees to maintain this information as confidential. Transmission of all or any part of our original design to others or use of it for other purposes is unauthorized without our prior written consent.
- j. Quotation shall be valid for 30 days, unless otherwise noted in writing.
- k. We may audit any part of warranty at the customer's or end user's facility at any time to ensure conditions are being met. Failure to comply may result in voiding warranty.

This quotation comprises our entire quotation. On any order placed pursuant hereto, the above provisions entirely supersede any prior correspondence, quotation or agreement. There are no agreements between Purchaser and us in respect of the product quoted herein except as set forth in writing and expressly made a part of this quotation. 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 Purchaser.