

# Terms and Conditions

## 1. Qualification for Warehouse Distributors

Initial buy in is \$5,000.00 for WD's. All Warehouse Distributors (W/D's or customer) are required to order and receive at least \$50,000.00 in merchandise per calendar year. Failure to meet this requirement may result in termination of status. Applying WD's must meet our definition of a "legitimate business". To that end we may require copies of states tax numbers and applicable business licenses.

## 2. Orders

No order will be considered by C.A.T. until that order leaves our plant and an invoice is issued.

## 3. Back orders

All back orders will be automatically shipped when product is available for shipping unless requested during the time of order not to be held for back order. Customers shall bear all shipping charges.

## 4. Price Changes

While every attempt will be made to forewarn or customer's of impending price changes, please note that ALL PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

## 5. Terms of Sale

C.A.T.'s normal terms of sale are COD certified funds. Qualifying WD's may receive terms of Net 30 on approval of credit. All shipment invoiced and shipped from C.A.T. MUST be paid in full within your term.

Credit memos will be deducted from the gross amount due. Monthly statements will provide the application of those credits.

No cash refunds will be given against open credit balances. Any credit balances must be offset by future purchases.

All costs, charges, and other fees related to export shipments and/or letters of credit shall be borne by the customer.

Checks returned, for any reason, will be assessed a \$20.00 fee.

## 6. Credit Hold

Any account with one or more invoices remaining due, after 30 days from the due will be placed on credit hold until the entire account is current. If you have multiple accounts at C.A.T. all accounts will be placed on credit hold until all are current.

## 7. Freight Policy

C.A.T. will ship, freight free, any order with an invoiced value exceeding \$4,000.00 without cranks and \$6,000.00 with cranks to any customer within the continental United States of America. Shipments to Alaska and Hawaii, U.S. territories, and foreign countries will be shipped freight free to the point of embarkation, as long as the minimum invoiced value exceeds \$5,000.00us. All other shipments are F.O.B. C.A.T. Baldwin Park, CA.

## 8. Drop Shipments

Permanent drop shipments are allowed. All other drop shipments will be charged a service fee of \$5.00 at our current rate.

All shipments will be billed directly to the customer, subject to your normal payment terms.

No C.O.D. shipments or C.O.D. for freight only shipments are allowed.

All requests for drop shipments must be in writing on customer approved letterhead with purchase order by fax or by email. "Verbal" drop ship requests may not be honored.

### **9. Claims and Returns**

Buyer is deemed to have accepted the Products unless notice of rejection is given within a reasonable time, which is agreed to be within seven (7) days after buyer's receipt of product. Buyer waives any right to invoke rejection or failure of acceptance thereafter.

Claims of damage or loss in transit must be made directly with the carrier.

No return of Product will be accepted by C.A.T. without prior authorization, which will be issued at C.A.T.'s sole discretion. Returned Product must be in the original shipping cartons, and must be complete with all packing materials. All Products for return must be freight prepaid. Package must be marked with RMA number as supplied by C.A.T.

Returned products must be in "as new" condition. Product which is "nicked, scuffed, scratched, dinged" or in any way damaged will not be accepted for return.

All returns are subject to a minimum of 15% restocking fee.

### **10. Stock Adjustments**

Stock adjustments are allowed totaling 3% of the prior years sales. No offsetting order is required. Stock adjustments will be assessed a 15-20% restock fee on the amount exceeding 3% of the prior years sales.

Stock adjustments will be completed via credit memo to be applied against future purchases, no checks will be issued.

An RMA number is required. Submit your request via fax, e-mail, or verbally.

Returned products must be in "as new" condition. Product which is "nicked, scuffed, scratched, dinged" or in any way damaged will not be accepted for return.

Adjusted product must be listed in the current C.A.T. catalog. Discontinued product is not eligible for restock.

### **11. Mail Order/Internet Advertising Policy**

It is the requirement of C.A.T. that all Jobbers, Warehouse Distributors, MWD's and Mail Order Companies advertise all C.A.T. products, in all publications (print or internet), including your own, no lower than "Jobber" - 10%. This caveat does not apply to any publication intended for dissemination to retail accounts.

If lower than prescribed prices are published, the violating distributor will lose their W/D status and not be eligible for discounts. In addition, we will remove those distributors from our warehouse referral system.

Our price structure allows for a fair profit to Warehouse Distributors and Jobbers, and we are fully intent on maintaining that structure. To that end, C.A.T. will continually monitor advertising to confirm compliance.

It is our desire, within this policy, to ensure our Jobber and Distributors a healthy margin of profit while protecting all of our customers, and to preserve the integrity of our company.

### **12. Restocking Charges**

No restocking charges for first 30 days.

15% fee returned after 30 days and before 60 days.

20% fee returned after 60 days and before 120 days.

30% fee returned after 120days.

### **13. Agreement to Terms and Conditions**

We assume that you indicate your agreement with these Terms and Conditions by entering into a business arrangement to purchase product from C.A.T.

### **14. Changing Terms and Conditions**

As conditions change in the marketplace it may become necessary to modify our terms and conditions. Therefore we reserve the right to make changes to these terms and conditions without notice.

### **15. Special Notice**

C.A.T. reserves the right to, at any time or without prior notification or liability, change or improve the design of any product, add products or discontinue products. Any such acts will not give rise to an obligation to accept returns of (except those returns specifically provided for herein) or to update the design of any such prior products.