ACI TERMS AND CONDITIONS

The Following Terms and Conditions shall supercede any and all other terms and conditions unless a signed agreement, between both parties, is reached taking exception to them.

All ACI items are made to order, therefore, all credit card orders will be billed the date the order is placed with the factory. For customers who have applied for and have been approved for credit, payment for service is Net 30. Net 30 payment terms require payment of all charges within thirty (30) days after the invoice date (unless other arrangements have been reached, in writing.) A late payment fee on past due balances (including, without limitation, any previously assessed but unpaid late payment fees) will be 1.5 % of the total past due balance, to be assessed monthly. Each late payment fee will be due and payable within seven (7) days following the statement date that reflects the assessment of the late payment fee. The late payment fee is in addition to any collection costs than may be incurred by ACI in the final collection of funds owed to ACI. Neither the assessment, nor the payment of a late payment fee shall:

(a) affect the customers' responsibility to pay all funds owed to ACI; or
(b) In any manner, preclude ACI from exercising any of its rights or remedies hereunder or under applicable law.

Additionally, Accounts unpaid after 46 Days may be placed on credit hold. Accounts unpaid after 60 Days, no orders will be entered and no shipments will be made until account is brought current. After 90 days, no further credit will be extended.

FREIGHT CHARGES

Freight charges, plus a handling fee, if necessary, will be prepaid and billed unless otherwise specified. All shipping charges, COD charges, bank fees, and currency exchange fees are the responsibility of the buyer. Any specialty documents required will be billed at par, i.e. international documents. All orders will ship **EX WORKS** Tully, NY, United States.

LEAD TIMES AND MINIMUMS

Quoted lead times are estimates based on ACI's production schedule at the time of the quote, and may be subject to change. All delivery Dates quoted are defined as our ship date. Orders will customarily be acknowledged with factory committed ship dates within eight to ten (8-10) business days of receipt of the order.

To expedite delivery sooner than quoted lead times, additional expedite fees will apply. For new designs, the lead-time commences only after ACI has received the specification and 1st article approval, and the purchase order.

ACI has a 50 piece minimum order and/or release for orders of custom parts, and a $50 minimum charge per order.

All Purchase Orders submitted without a designated ship method will be shipped UPS Ground on the customers account, if that information is available, or prepay and add if the information is unavailable. The ship method can be modified any time before the order has been shipped from ACI, Tully, NY.

WARRANTY

Applied Concepts, Inc. (ACI) for a period of twelve (12) months from the label date of manufacture warrants that the product will be free of defects in design, materials, or workmanship. This warranty is limited to the repair or replacement of the product, or a credit for the net invoice price of the product, at ACI's sole option. In no event shall the warrantor be liable for incidental, or consequential damages, whether damages result from breach of express or implied warranties, tort, negligence, or otherwise.

A **Return Materials Authorization** (RMA) number **must** be obtained before the return of the product(s), and the customer must bear the responsibility of all return freight charges. No credit or refund will be issued if the returned product has any of the following conditions:

1. Rendered defective through misapplication or abuse (as determined solely by ACI's testing).
2. Out of warranty.

3. Labels removed.
4. Parts Modified After Leaving ACI's Dock

AMENDING AN ORDER

Delivery dates (our ship dates) cannot be changed once the order is within six (6) weeks from the scheduled delivery date (ship date).

All Purchase Orders are Non Cancelable, Non Returnable. ACI does not stock inventory and Builds every delivery to order therefore once goods are in process or complete they may only be cancelled/returned for a restocking fee of 100% of the purchase price of the items (or per the cancellation fee schedule below at ACI's sole option).

Additionally, Quantities **CANNOT** be changed after submission of initial PO. Under extreme circumstance, exceptions may be made but only with ACI's approval and at their sole discretion. Any Quantity decrease is considered a cancellation and is subject to the cancellation terms of this Document.

CANCELLATION

If Applied Concepts agrees to the cancellation of an order, the customer liability to Applied Concepts, Inc. for cancellation of any order, or part of an order, shall be the aggregate of the following:

For the Quantity Cancelled:

1. The full purchase price for any finished goods held in ACI's inventory (for a customer order).
2. The cost for materials and labor for any work in process (partially manufactured) at ACI's supplier and/or ACI.
3. The cost of raw materials that is unique to the assembly of parts that are purchased by ACI's supplier and/or ACI.
4. The greater of ten percent (10%) of the full purchase price for any quantity of parts that are cancelled or $200.

For the Quantity Actually Being Purchased:

5. The difference between the quantity price invoiced and the appropriate quantity price for the volume actually received.

GOVERNING LAWS, VENUE, ATTOURNEYS FEES

This Agreement shall be governed by and construed in accordance with the Laws of the State of New York. In the event either party breaches any part of this Agreement, the breaching party shall pay all costs and expenses of the non-breaching party, including reasonable attorneys' fees, in respect to each, every and any such breach even if no action or arbitration proceeding is commenced. The parties hereby designate the County of Onondaga, State of New York, as the place of venue for resolution of any issues arising under this Agreement or if legal action is instituted under this Agreement.