

APPLIED IMAGE, INC.
CONDITIONS OF SALE

1. ACCEPTANCE - These terms and conditions constitute the entire and exclusive agreement between the parties unless modified in writing on the front side hereof. No other modification of these conditions of sale shall be effective unless made in writing and signed by both parties.
2. CANCELLATION - Orders accepted cannot be cancelled without compensation to the seller for all direct and indirect cost and lost profits.
3. OVER-RUN AND UNDER-RUN - A variation of not more than 10% under or over the quantity specified shall be considered as compliance with the order. The variation shall be allowed or charged at the unit price of the order.
4. TERMS - Net 30 days to accounts with established credit. 1.5% monthly on outstanding balance beyond terms.
5. TENDER OF DELIVERY - Tender of delivery occurs when seller notifies buyer of completion of the order and the availability of the goods to buyer.
6. RIGHT OF TITLE - Right of Title passes at our dock.
7. TRANSPORTATION CHARGES - Where prepaid charges are incurred on behalf of buyer they are payable immediately. Seller reserves the right not to extend this accommodation. If shipper is not indicated by buyer, seller as agent for buyer will select at our discretion, the shipping method to be utilized. Seller accepts no responsibility for performance or lack of performance of selected shipper.
8. STORAGE - Seller has no obligation to store finished goods or other contract materials after tender of delivery beyond what seller deems to be a reasonable period. Thereafter, upon ten days written notice to the buyer, seller has the right to charge for storage or to remove the goods to a public warehouse at buyer's expense without waiving its right to declare buyer in default of this agreement and in addition to any and all rights and remedies available under the Uniform Commercial Code.
9. PROOF OF PROTOTYPES - Unless otherwise stated, seller will not show proofs or prototypes before proceeding with production, in which case seller's only obligation is to produce commercially acceptable reproduction of customer's art or specifications. Where seller agrees to submit proofs or prototypes in advance, buyer is responsible for any additional costs incurred for changes in art or specifications.
10. DESIGNS - The buyer shall not usurp, or make use of, any exclusive design, plan, drawing, sketch, dummy, written copy or idea submitted by seller, which has not been purchased by buyer.
11. DELIVERY DATES - Delivery dates are subject to unforeseen delays due to natural and man-made causes or events, and seller shall incur no liability for such delay.
12. PRICES -
 - (a) Prices are based on continuous and uninterrupted production of entire order. Expenses incurred as a result of buyer's failure to deliver art, "hold press" instructions, etc. shall be billed to buyer.
 - (b) Prices are based on art work as seen at time of quotation. Where art or other specifications are changed, prices are subject to revision.
 - (c) Prices quoted are subject to remission where prices or availability of material, etc. change before acceptance of this order.
 - (d) Prices quoted do not include sales, use, excise or similar taxes.
13. DISCLAIMER OF WARRANTIES - SELLER DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT FOR ANY EXPRESS WARRANTIES SET FORTH ON THE FACE HEREOF, PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY IS SET FORTH IN PARAGRAPH 14 BELOW.
14. LIMITATIONS OF REMEDIES - Buyer sole and exclusive remedy in the event of any breach or default is hereby limited to either return of the goods for credit or replacement of the goods, whichever seller in its sole exclusive discretion selects. In no event will seller be liable for consequential damages.
15. CLAIMS - All claims for goods damaged or lost in shipment by buyer or buyer's consignee must be made within five days. Buyer or buyer's consignee must retain original cartons or containers for inspection by seller.
16. MATERIAL FURNISHED BY BUYER
 - (a) Quotations are based on printing on suitable surface. Seller reserves the right to test surface before accepting order and, when condition of material warrants, revise price upward or refuse order.
 - (b) Seller does not guarantee adhesion, opacity or any other performance of ink on buyer's stock unless expressly stated on the face hereof and unless seller is given the opportunity to make advance tests, in which case seller will match sample submitted to and approved by buyer. Seller is not responsible for problems resulting from difference in material from that tested and approved.
 - (c) Seller is not responsible for imperfect printing resulting from curled, distorted sheets, sheets with wheelmarks or other indentations, etc. Imperfect prints caused by these conditions will be billed for.
 - (d) Seller reserves right to destroy allowable spoilage during run. Where seller goes back to press to make up allowable underrun, at buyer's request, buyer will pay for additional makereadies, etc.
 - (e) Seller is not responsible for change of moisture content, curling, etc. of buyer's material while on seller's premises.
 - (f) Seller's signature on receipts is not a confirmation or acceptance of amount or condition of buyer's materials received other than number of containers or skids and their exterior conditions.