

Credit and Payment Terms

Nevers Industries Inc. policy does not allow for automatic open account terms for new customers, customers whose account is not current, individuals or residential accounts. *New customers are required to make a deposit for the full value of the merchandise ordered.* A credit application will be sent to each new customer. Credit will be established upon review of the responses given by the customer's references and will appear on future order acknowledgements. New customers are encouraged to begin establishing a credit rating with Nevers Industries Inc. prior to placing an order. Our customers are responsible to provide the necessary current and accurate information. *Upon establishment of an open account, terms are Net 30. 1 1/2% per month service charge will be added to all past due accounts. Accounts that are 90 days past due will be subject to collection proceedings without any additional notice. Orders will not be processed for past due accounts until the amount due, including any service charges, is paid in full.* Standard product orders exceeding \$50,000 net will require a down payment of 33%. Custom orders will require a down payment of 50% and will not be scheduled for production until the down payment is received. Balance is then due before shipment. *A bank letter of credit may be required for any order over \$50,000 net.*

Prices

Our prices are list, freight prepaid, F.O.B. Maple Grove, Minnesota, and are subject to change without notice. Quoted prices must be accepted within 30 days or re-quoted for date and approval. Freight is prepaid and allowed for normal ground transportation within the 48 contiguous states, must ship to dock location. Air freight, will calls, and special delivery will be quoted and invoiced separately. Prices do not include installation, storage, or sales tax.

Packaging

Nevers Industries Inc. pricing includes packing for North American shipment. Whenever possible, Nevers will blanket-wrap your order; otherwise, all products will be packaged. Only environmentally safe packing materials are used. Large furniture pieces will be packed with wood reinforcements for added protection. For special packaging, crating or overseas shipment, please contact our Customer Service Department.

Delivery

Nevers Industries Inc. will select the method of shipment, carrier and routing. Carrier selection is solicited to provide the best service to each customer in their particular location. All shipments are sent prepaid, FOB Maple Grove, Minnesota. *Nevers Industries Inc. liability ends when the carrier issues a receipt to Nevers Industries Inc. This is an acknowledgement by the transportation company that the shipment has been received by the freight company in good condition and title of the goods and risk of loss transfers to the buyer. The order shall be considered complete. Prepaid freight does not change the F.O.B. status of the product and risks involved in the shipment. We reserve the right to make partial*

shipments. Invoices relevant to the partial shipments are payable as they fall due.

Freight Terms

All orders under \$2,000 net are subject to a minimum order/ additional freight charge of \$200 net; Nevers Industries Inc also reserves the right to establish a freight and fuel surcharge fee to cover variable freight costs. This charge will be established at the time of order and acknowledgement date.

Lead Times

The lead time on an order begins when Nevers' Order Entry Department has verified the validity of the items ordered and has received at our manufacturing facility all COM materials supplied by others. All acknowledgments will contain current lead time information. If for some reason the buyer does not want it early, please list a Do Not Ship before date. We are not responsible for delays in scheduling or failure to make scheduled shipping date due to strikes, lockouts or other labor complications, war, riots, Acts of God, fires, accidents, restraints affecting shipment or credit, reduced supply or excessive cost of fuel or raw material, delays from suppliers, compliance with Government regulations, or other unforeseen contingencies. When delays in product delivery are caused by the purchaser, we reserve the right to draw up to 100% of the contract price and to charge to the purchaser any costs incurred by us due to such.

Order Acknowledgement

All orders are subject to final acceptance by Nevers Industries, Inc. Receipt of our acknowledgement indicates acceptance of your order subject to the terms and conditions set forth in Our Acknowledgement. If pricing on the purchase order is different than the acknowledged pricing, the acknowledgement will take precedent over the purchase order. Nevers Industries, Inc. attempts to clarify all orders. But in the event of any discrepancy, please notify Nevers Industries Inc. immediately. Failure to notify Nevers of a discrepancy within five (5) days will constitute acceptance of the order as acknowledged. All orders are subject to credit approval at any time.

Change Orders

Nevers Industries, Inc. will make every attempt to honor any reasonable change request to standard product provided that the request is received prior to start of production. Change orders will be accepted only if the request is made in writing and received in time to make the change. Nevers Industries, Inc. reserves the right to increase our acknowledged price and ship date if necessary to make the requested changes. Nevers Industries Inc. will make every reasonable effort to stop production, scheduling shipments, etc., upon receipt of written notification of changes, cancellations, or deferments of delivery. Nevers will assess charges to the customer for change orders, cancellations, and delivery deferments as stipulated in the following:

Change Orders:

- Received prior to start of production will be charged \$200 net.
- Received after production has started involving design changes or reductions in quantity will not be accepted. The customer will receive the goods as ordered and be liable for the amount due.

Cancellations:

- Received prior to start of production will be assessed a \$500 net cancellation charge.
- Received after production has started will be assessed the total accumulated cost of the project plus a \$500 net cancellation charge.

Deferred Shipments

All merchandise will ship upon completion of production. If customer is unable to take delivery of merchandise when ready for shipment, Nevers Industries, Inc. may transfer the merchandise to storage. All cost for storage and freight will be at customer's expense. Transfer to storage will be considered delivery for all purposes including invoicing and payment. Customer will bear the risk of loss or damage during storage. Deferred shipment charges will be assessed from the completion date in accordance with Nevers policy for Storage by the Manufacturer.

Storage By The Manufacturer

No shipment can be postponed by the customer. Nevers Industries Inc reserves the right to transfer products to storage and issue its invoice for the products at that time. Such transfer to storage shall be deemed delivery to the customer for all purposes. Long term storage over 30 days may be subject to surcharges.

Shipment Claims

Legal title of merchandise passes to the buyer upon acceptance by the carrier. The buyer must inspect all cartons on arrival for visible or concealed damage. In the event of visible freight damage, the buyer must make a notation on the freight bill; immediately notify the carrier for an inspection; and file a freight claim. *Do not sign the receipt until the visual inspection is complete at the time of delivery. If concealed damage is discovered, the carrier must be notified within 15 days. Keep all packaging materials for inspection (do not destroy).* The buyer has the sole obligation of seeking recourse against the carrier. Caution: When a clear receipt is obtained by a carrier, the carrier is no longer responsible for damages or shortages. Damaged freight cannot be refused by the consignee (buyer). Processing claims for damages and shortages are the responsibility of the buyer. At no time can claims be deducted from our invoices.

Returns

All Nevers Industries, Inc. products are made to order. Therefore, merchandise may not be returned without specific consent from Nevers Customer Service Department. Unauthorized returns will be refused by the shipping department.

Miscellaneous

All merchandise shown in our catalog is the property of Nevers Industries Inc. We reserve the sole right to manufacture and distribute it. All patterns, tools, and designs developed for the production of any product will remain the property of Nevers Industries Inc. All published dimensions are approximate and if the exact sizes are critical, we suggest that you request actual measurements. Price list data supersedes all other specifications, whether verbal or written, and may not be altered without the written consent of an officer of Nevers Industries Inc. Typing and clerical errors on any agreement, publication, correspondence, price list, or product literature pieces are subject to correction at any time without notice. Due to variations beyond our control, all wood and upholstery products are subject to slight variations in color, texture, and grain.

Specifications

Nevers Industries, Inc. reserves the right to change prices, specifications, fabrics, dimensions and finishes at any time without prior notice. This right to change also applies to discontinuing models at any time, catalog contents and price list contents.

Warranty

Nevers Industries, Inc. warrants its products to be free from defects in material and workmanship under normal and reasonable use and service for a period of ten years from the date of shipment to customer. Proprietary supporting products, which are manufactured by others and sold by Nevers Industries, Inc. carry the original manufacturer's warranty. The decision of defects in workmanship or materials or the decision of misuse or abuse remains with Nevers Industries, Inc. No warranties other than those contained herein will be implied and Nevers Industries, Inc. does not authorize any person to create any warranties other than those contained herein.