

Terms and Conditions

- ◇ These terms and conditions represent the entire agreement between the parties hereto and there are no collateral, oral or other agreements or understandings unless expressly stipulated on invoice.
- ◇ These terms and conditions constitute the entire agreement between Arizona Correctional Industries (the "Seller") and the buyer (the "Buyer"), and there are no understandings, agreements, representations or warranties of any kind not expressly set forth herein.
- ◇ A service charge shall accrue on all past due accounts at the rate of 1½ % per month (18% per annum) or the highest rate allowed by applicable law, whichever is less.

SHIPMENT OF GOODS AND DAMAGE CLAIMS

- ◇ Shipping will be made "best way" unless carrier preference is indicated. ACI shall retain title and control of all goods until delivered and accepted. Damage to goods due to shipment shall be the responsibility of ACI. The buyer shall notify ACI promptly of any damaged goods, and further, shall assist ACI in arranging for inspection.
- ◇ Each shipment of goods is to be treated as a separate and independent transaction for purposes of payment and settlement of claims.
- ◇ All over-runs or under-runs not exceeding five percent (5%) of the quantity of units to be delivered under this sale shall be considered satisfactory.
- ◇ The Seller shall not be held responsible for delays in delivery due to strike or other labor dispute, riot, fire, act of God, embargo, inability to obtain raw materials, delay in transportation, accident, war, governmental action or any contingencies beyond its control.

LITIGATION:

- ◇ THE SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, WHETHER RESULTING FROM A CLAIM BASED UPON WARRANTY, CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE
- ◇ The Buyer shall have no right or authority whatsoever to assume, create, incur or otherwise effect any liability or obligation on behalf of or binding upon the Seller, including, without limitations, making any expressed or implied warranties relating to the goods beyond the scope of any warranties made by the Seller herein. The Buyer shall inform all users of the terms and conditions

herein. The Buyer shall indemnify the Seller against all claims, suits, losses, costs, damages, judgments and expenses, including reasonable attorneys' fees, arising out of any breach of the provisions contained in this paragraph.

- ◇ In the event of litigation the prevailing party shall be entitled to be reimbursed for reasonable attorney's fees and costs of suit.
- ◇ The Seller warrants that the goods sold by the Seller shall be of merchantable quality. THE SELLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

LIMITED WARRANTY:

- ◇ ACI warrants all products manufactured by ACI against defective material or workmanship for one year from date of purchase unless otherwise noted. Warranty does not apply to any product which has been altered or subjected to misapplication, misuse, negligence or accident.
- ◇ After 90 days from invoice date, Arizona Correctional Industries™ will not be responsible to show proof of delivery.

FORCE MAJEURE:

- ◇ Neither party shall be held responsible for any losses resulting if the fulfillment of any terms or conditions of this Purchase Order are delayed or prevented by any cause not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence, that party is unable to prevent.

MODIFICATION:

- ◇ No modification of this Sales Order shall bind Buyer unless Buyer agrees to the modification in writing.

RETURN AUTHORIZATION:

- ◇ Any item to be returned must be pre-authorized with an RMA number. The customer will be directed to the ACI Website where they will be able to leave basic information about their complaint. Once submitted, the system will alert Customer Service and an RMA number can be established and given to the customer. Return for credit is limited to the first sixty (60) days from the date of invoice. Return materials after 60 days are subject to a 25% restocking fee.