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**CONDITIONS OF SALE**

The following "Terms and Conditions of Sale" become a part of the attached proposal or a part of the acknowledgment of our customer's order and have precedent over any other outstanding contract.

Any deviation from the following terms and conditions must be agreed to in writing by both parties before any order is processed.

**PRICES:**

1. F.O.B. Origin from our facility located in Brighton, Michigan.
2. They are subject to change without notice and may be withdrawn at any time by an executive of American Laser Enterprises LLC prior to the acceptance of our customer's order. In any event, prices quoted become invalid thirty (30) days from the date of our proposal.
3. Prices quoted do not include any excise, sales, use, or transportation taxes of any taxing authority. If not included in the invoice for the equipment, any applicable such taxes may be invoiced at a later date.

**CANCELLATION:**

1. The buyer may terminate the purchase order contract after executed to the seller only with the consent of the seller. This consent can only be given by an officer of the company.
2. Cancellation charges, if any, will be promptly invoiced by the seller and the buyer must pay the same, or it will void any prior agreement by American Laser Enterprises LLC, with the seller, to cancel.
3. In the event of a request to stop work or to cancel any part of the order, liquidated damages will be billed and paid for as follows:
  - A. Any work scheduled for completion within thirty (30) days will be paid for in full and shipment of the equipment will be accepted.
  - B. All work in process and any raw materials of supplies used, or for which commitments have been made by us in connection with the order(s) involved, will be paid for on the basis of our full costs, plus 25%.

**DELIVERY:**

1. F.O.B. Origin from our factory located in Brighton, Michigan, unless otherwise agreed to in writing.
2. The delivery is predicated on prior order commitments, at time of quote, receipt of the written order, and complete information from the buyer, as requested by the seller, American Laser Enterprises LLC.
3. The delivery is subject to unavoidable delays and we shall not be held responsible nor accept any liability of penalty for a delay in shipment because of strikes, fire, accident, explosion or an act of God, outside supplier delays, or because of any priority system established by the United States Government, any of its agents, or any other authority having jurisdiction. (Any applicable priority rating must be clearly indicated on each purchase order.)

**RE-NEGOTIATION:**

1. American Laser Enterprises LLC will only agree to any re-negotiation when or if it should prove to be necessary and to the extent and in the manner required by Federal Law. All quotes are based on American Laser Enterprises LLC equipment Standards, unless a customer machine equipment standard has been issued to American Laser Enterprises LLC.
2. If no machine equipment standard were issued previous to the purchase order, the customer will then be responsible for any expenses incurred to American Laser Enterprises LLC for any equipment variation.

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## **CONDITIONS OF SALE**

### **TERMS OF PAYMENT - FINAL PAYMENT:**

1. Unless otherwise specified, payment terms are net thirty (30) days from the date of shipment. Any amounts not paid within the thirty (30) days shall be charged a handling fee of three percent (3%) for each month (or portion thereof) any such payment is late.
2. On all orders over \$20,000.00, progress payments may be requested and negotiated. The account must be current before shipment of the equipment will be authorized.
3. In the event that American Laser Enterprises LLC incurs any expenses in collecting sums due to it (including, but not limited to, reasonable attorney fees, court costs, expert fees, collection agency fees, travel costs, bonds, or otherwise) all such expenses will be paid by customer to American Laser Enterprises LLC upon demand and shall be secured by all other terms and conditions hereof.
4. In the event American Laser Enterprises LLC must bring legal action to enforce collection of any amounts owed to it, Customer consents that such legal action may be brought in the appropriate court of Oakland County, Michigan and the customer consents to the jurisdiction of said court and venue therein. For all purposes hereunder, this Agreement shall be construed under the laws of the State of Michigan.

### **SECURITY INTEREST:**

Customer agrees that until full and final payment is made, American Laser Enterprises LLC, is granted and retains a security interest in the machine(s) or equipment in an amount equal to payments owed and Customer further agrees and consents that should payments not be made in accordance with these Conditions of Sale or the schedule of payments agreed to by Customer in any subsequent Release to Ship, that American Laser Enterprises LLC, is authorized to file any and all appropriate UCC Financing Statements or Documents necessary to perfect its Security Interest in the machine(s) or equipment.

### **WARRANTY FOR LASER AND CONSUMABLES:**

All American Laser Enterprises machines are guaranteed to the original purchaser, at the original place of shipment, for one full year from date of installation, but no longer than thirteen (13) months from date of completion of build at our facility. Any part (excluding consumables i.e. mirrors, lens, nozzles etc.) that fails through normal use will be replaced free of charge during this period by an ALE approved qualified field engineer. Travel and Living expenses will be invoiced as incurred. A Purchase Order will be required for each warranty and/or service call.

Systems that are used to process metals or other highly reflective materials must have a back reflection optical isolator (ATFR) fitted in the laser or beam path. Failure to fit such a device may result in beam delivery optical damage or laser cavity failure. Damage as a result of back reflection will void this warranty. Use of laser gas not supplied by source manufacturer will void warranty.

**Consumable items are not covered under this warranty.** (Please refer to this letter for detailed information regarding the warranty of the equipment.) Any deviation from this policy must be agreed to by both parties in writing to alter it.

### **CONDITIONS OF SALE**

American Laser Enterprises LLC will not be held responsible for any claims of any kind based on down time, overhead, labor, damage to machinery, loss of production, or profit through the use of our equipment. All equipment is to be operated and maintained by adequately trained personnel, as well.

#### **JIC, NEMA, & OSHA COMPLIANCE:**

All American Laser Enterprises LLC machines are designed to meet or exceed the standards of the Regulatory Agencies. Provisions are made and no machine can be released for shipment unless it complies with the standards specified and as we interpret them to be required. To do otherwise will require a letter from the user (customer), stating they will accept full responsibility for non-compliance, as a result of a difference in interpretation of these rules. This letter must be signed by an officer of that corporation.

#### **TITLE:**

Title of ownership is deemed when American Laser Enterprises LLC is paid in full. Any damage claims or risks will be assumed by the buyer of the equipment when installation sign off is completed.

#### **SERVICE & INSTALLATION:**

All service work on standard and special machines, not covered by our warranty start-up agreement, or after warranty period has expired, shall be charged for at the prevailing rate outlined above under "Standard additional on-site assistance rates" plus all expenses, transportation, material, and parts used.

#### **ENGINEERING CHANGES:**

On special machines, American Laser Enterprises LLC reserves the right to make changes deemed by our engineering department to be justified. Any change conflicting with customer specifications will be approved between the parties involved before it is done. All charges due to a change in the customer's specification by the customer will be negotiated and a price resulting in a supplemental purchase order will be approved before proceeding any further on the project.

#### **DETAILED DRAWINGS:**

Nothing in our proposal shall be interpreted as an understanding or agreement that detailed or shop working drawings will be furnished on any part of the equipment offered. Any deviation of this rule must be negotiated and agreed upon by both parties prior to the receipt of an order.

#### **RIGHTS RESERVED:**

American Laser Enterprises LLC reserves the right to use photographs of any and all equipment we manufacture for advertising purposes, unless agreed to otherwise.

#### **TESTING:**



All materials or parts necessary for testing the machine(s) at our facility will be furnished by the customer, without cost to us. The materials and parts must be to print tolerance and of the grade specified. If quantity-of -pieces are to run over an amount deemed reasonable, an extra charge will be submitted and approval received before proceeding. Any special test equipment required to meet a specific specification not covered under JIC, UL, NEMA, CSA, etc., must be furnished or the rental paid in addition to the quoted price of the machine order.

**CONDITIONS OF SALE**

**BUYOFF:**

A Preliminary buyoff including safety, maintenance, and engineering, will be conducted at American Laser Enterprises LLC location in Brighton, Michigan. This buyoff is not to exceed 10 working days past the time the customer has been notified that the said machine (s) is ready for Preliminary buyoff.

If in fact the Preliminary buyoff does exceed the 10 working days, due to customer delays, the customer will be notified that any money that may be due under Preliminary buyoff on the submitted contract will be owed to American Laser Enterprises LLC no later than 30 days from the notification date. Any amounts not paid within the thirty (30) days shall be charged a handling fee of three percent (3%) each month (or portion thereof) any such payment is late.

The said machine(s) will be released for shipment after receipt of preliminary payment and signed release to ship form is received. The customer may also be charged a storage fee on the equipment that remains on ALE floor past the 10 working days, that would equal \$15.00 per square foot of floor space the equipment occupies, (this includes a reasonable amount of space required around the machine needed to operate it), to be charged per day, and paid before removal of equipment.

At this point:

1. All modifications will be discussed.
2. The machine will meet all customer expectations before shipment.
3. The final buyoff will be conducted on the customer’s floor.
4. Any machine modifications requested on the customer floor will be charged at the rate of \$275.00/HR.

**STANDARD ADDITIONAL ON-SITE ASSISTANCE RATES:**

Our standard services are provided on an eight-hour shift, one shift per day, first shift basis, with work taking place five days per week (Monday through Friday 8:00 am –5:00 pm). A minimum of 4 hrs will be charged per occurrence. The pricing schedule is as follows:

Standard Labor in house.....	\$125HR
Standard Labor on site.....	\$190/HR
Standard Engineering Labor in house.....	\$150/HR
Standard Engineering Labor on site.....	\$275/HR
After 5:00 P.M. (Eastern Standard Time).....	1.5 X Standard Rate
Over 8 hours per day and Saturday.....	1.5 X Standard Rate
Over 8 hours on Saturday, Sunday & Holidays .....	2.0 X Standard Rate




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CNC Programming.....	\$160.00/HR
Manuals in CD format.....	\$250.00 ea.
Manuals in paper format.....	\$500.00 ea.

Travel and living expenses for ALE’s Field Installation Engineer will be charged at .60 cents/mile plus \$100.00/hr. Depending on distance, overnight accommodations may be charged as incurred on a cost plus 10% basis.

The length of time required for equipment installation is dependent upon the installation schedule of ALE customer, a properly sized and supervised labor force and adequate access to the work area *with no production in process*.

*CUSTOMER RESPONSIBILITY*

*DESIGN MATERIAL*

*The customer is to supply all parts to be processed information on disc form, either SolidWorks format or a translation of.*

*TRYOUT PARTS*

*The customer is to furnish all tryout parts. These parts are to be in accordance with the engineering assembly and detail drawings furnished to us by the customer for equipment design purposes. In the event of a change in the customer part design or if after manufacturing, the parts deviate from the piece parts shown on the drawings submitted, charges will be made for any necessary redesign, rework, or development of the equipment. Furthermore, there will be no guarantee the equipment can be made to accommodate anything other than the parts as stated in the written proposal and as shown on the customer drawings and outlined therein.*

*CUSTOMER APPROVAL*

*All equipment design layouts shall be reviewed with and approved by the customer before being released for manufacturing. The customer shall, when notified by American Laser Enterprises LLC send the same representative who approved these layouts to our factory to witness the testing and demonstration of the equipment, and to approve the equipment for shipment.*

*SAFETY*

*The equipment offered in this proposal includes normal safety features including guards for pinch points and moving members. Final interpretation of complete compliance with applicable sections of OSHA specifications will be determined by ALE personnel. This is due to the fact that local requirements may vary. Also, there are specific exceptions for certain types of industry to consider in the requirements. Any protection equipment required to be installed by ALE in addition to that described above, which in the opinion of ALE personnel is of significant cost, shall be added at a negotiated price prior to shipment.*

*Customer's approval to ship this equipment shall constitute full acceptance and relieve American Laser Enterprises LLC of any further responsibility to comply with OSHA specifications as covered in the order contract between both parties.*

*SUPPLIED MATERIAL*

*All customer supplied material, unless otherwise specified in the quote, will be in proper working order when received at ALE Any ALE time lost on troubleshooting or repairing the material will be charged at the applicable rate. The rate is determined by when the work takes place (standard, O/T, weekend, holiday). This could also affect the completion date of the project, to which ALE will not be held responsible.*

#### INSTALLATION

*Supply all primary drops to the equipment.*

#### EQUIPMENT SPECIFICATIONS

*If machine equipment standards are available, they must be issued with the request for quote or American Laser Enterprises LLC will quote their machine equipment standards.*

#### WARRANTY POLICY

##### *American Laser Enterprises, LLC Beam Delivery Components*

*American Laser Enterprises LLC guarantees to the original purchaser that all beam delivery components manufactured by them will be free from defects in manufacture and workmanship for a period of one (1) year from date of shipment. If any component or part should fail through normal use during this period and it is returned to us prepaid, upon our inspection, credit, a new unit, or the repair of same shall be made. Any abuse, misapplication, or other misuse relieves us of our responsibility. This guarantee is nontransferable.*

*All items purchased by American Laser Enterprises LLC incorporated in our beam delivery systems will carry the manufacturer's warranty.*

*Consumable items are not covered by warranty.*

*Any other warranties, stated or implied, are voided by this guarantee unless they are in writing and approved by an authorized member of the American Laser Enterprises LLC company.*

*A purchase order is requested, whether the repair is covered by warranty or out of warranty, as this helps both parties keep track of the transaction.*

*American Laser Enterprises, LLC personnel must perform installation of the machine along with any and all machine modifications after buyoff has occurred in order to maintain warranty status. Warranty will be voided on accounts that are 120 days past due.*

