

2019 TERMS & CONDITIONS OF SALE

GENERAL INFORMATION

Design & Proprietary Rights

Aceray's policy is to promote outstanding design and high quality craftsmanship. Our product line includes many original designs protected worldwide by patents and design registration. The proprietary rights to these items belong to the designer, the manufacturer, or Aceray. In cases where the rights of some designs have expired, we concentrate on their reproduction using the most advanced and approved production methods. These methods have been developed to meet the needs of the trade.

Quality & Manufacturing Procedures

Each product in the Aceray line is developed with commercial use in mind. We guarantee that only manufacturers who have extensive expertise in manufacturing and who use production methods specifically for commercial grade furnishings produce our merchandise. Aceray products are intended for indoor use unless specifically noted otherwise.

Insurance

Aceray shall obtain insurance coverage as required by law and such other insurance coverage as Aceray deems necessary, in its sole discretion, to fulfill its obligations. Customers requiring to be added under Aceray's policy as an additional insured will be required to provide all information as required by Aceray's insurance company. Contact Aceray for applicable fees to be added as an additional insured.

Flammability Codes

All items are manufactured with premium grade materials and are continually tested at both the factories and testing laboratories. Items include polyurethane foam and fabrics that meet California Technical Bulletin #117-2013 requirements. If necessary, certain items can be manufactured according to California Technical Bulletin #133 at a net charge of \$30 per item per yard of fabric required.

This is only valid for products that have been tested by Aceray and meet TB133 requirements. Contact Aceray or your local sales representative for a list of products. For products that have not yet been tested, testing may be ordered at standard product cost plus a \$400/item testing fee. Item testing takes approximately 3-10 weeks depending on item availability and testing specifications.

Since TB133 tests furniture and not components there are no TB133 approved fabrics. Fabrics comprised solely or in any combination of the following fibers are more likely to be suitable components for products that must comply with TB133: Acrylic, Nylon, Vinyl, Animal Hairs, Polyester, Virgin Wool, Cordura, Rayon, Viscose, Cotton, SEF Modacrylic, Wool, Leather, Silk, Worsted Wool, Modacrylic, Spun Nylon, Mohair and Trevira.

It is the customer's responsibility to determine local flammability code requirements. Exposure to sufficient heat and/or flame could result in the foam burning and releasing heat, smoke and gases that if inhaled could inhibit breathing and result in serious injury or

fatalities. It is the responsibility of users and facility managers to take the necessary precautions to ensure safety and open exits in the event of fire.

Product Information

Product information can be found on the website at www.aceray.com, or in the Aceray Catalog. All dimensions and weights are to be considered overall and approximate. Aceray reserves the right to make adjustments in dimensions without prior notice. Finishes depicted on our website and catalog are approximate due to the variation inherent in color monitors and the processes of photography and printing.

We do our best to keep the information up-to-date and accurate at all times. However, we reserve the right to:

- Make minor changes to specifications, materials and design without prior notice
- Make changes to dimensions and weights without prior notice
- Discontinue items without prior notice.

Sample Library

- Aceray strives to make the decision process easier for trade professionals. We provide samples at no charge under the following conditions:
- Sample merchandise must be returned, in its original condition and packaging, within 30 days from the ship date.
- For samples that are not returned within the designated 30-day period, the customer agrees to reimburse Aceray the full list price plus freight charges.
- Allow 48 hours for sample orders to ship.
- Samples ship via standard ground service or freight depending on product size.

Ready to Ship Program (RTS)

Aceray is continuously increasing the number of items that are available in our RTS program. After we receive and process an order, the requested items are usually shipped within 48 hours.

Quotations

Quotations for future business are binding only if made by the Aceray corporate office and must be received on an official company quotation form. No agent, representative or a sales person affiliated with Aceray is authorized to change prices, terms or conditions of sale. Quotations are valid for 60 days except if otherwise noted.

Orders

Aceray accepts orders via mail, fax, or e-mail. When placing an order please use either your company's standard Purchase Order Form or official company letterhead.

The following information must be included on your order:

- Contact name, phone and fax numbers, and an e-mail address. If you're a current customer, include your Aceray discount when calculating prices
- Aceray SKU/Item #
- Choice of wood or metal frame finish
- Fabric and upholstery specifications
- Quantity
- Any other specification regarding finish options, packaging, tagging, etc.
- The date you require on-site delivery of the merchandise

- The “ship to” and “bill to” addresses
- Shipping instructions – if shipping instructions are not provided, Aceray automatically acts according to the specifications outlined in the section entitled, “Guaranteed Freight Shipping Costs”
- If freight was previously quoted by Aceray for the order, the amount must be specified or freight will be recalculated based on prevailing rates at the time of order
- Include the deposit amount agreed upon between you & Aceray
- Include contact name and phone number at the delivery location
- Include project name or install location

All orders are subject to delay or failure of delivery due to labor, transportation, and sources of supply difficulties, Acts of God, or other causes beyond Aceray’s control. All delivery dates quoted are approximate. Due to the numerous styles, finishes and colors available, allow 8-10 weeks lead time for delivery for products that require custom manufacturing. Time of delivery shall not be of the essence and Aceray is not liable for any delay in the delivery of merchandise.

A 50% non-refundable deposit is required before an order is scheduled for production for non- stock items. The balance of the invoice is due based on agreed upon terms. Lead time does not start until deposit, upholstery materials, and any missing information from the above is received.

Within 24 hours of receiving your order, Aceray will either e-mail or fax you a Sales Order Confirmation. Contact Aceray within 24 hours regarding any discrepancies. After 24 hours, customer accepts order as entered. The customer will receive the goods as entered and be liable for amount due. The Sales Order is the final agreement between Aceray and the customer, superseding all previous communications. Aceray’s policy prohibits signing any customer’s terms of purchase or purchase orders.

Minimum Orders

Due to the high cost of processing orders, orders under \$1,000 list, with the exception of RTS items, will be subject to a \$60 small order surcharge. For these orders, payment is required in full before shipping.

Prices

Aceray issues a suggested list price. Contact your local Aceray representative, for available trade pricing or quantity discounts. Aceray reserves the right to change its pricing at any time without prior notice. Price lists published with the most recent date supersede all previous price lists.

All prices are **FOB Aceray Distribution Center in Lebanon, PA 17042**. FOB stands for “free on board” or “freight on board” and is a designation used to indicate when liability and ownership of goods transfer from a seller to a buyer. When used with an identified physical location, the designation determines which party has responsibility for the payment of the freight charges and at what point title for the shipment passes from the seller to the buyer. Prices include standard packaging. No minimum order is required (see minimum order fee above). Table tops are subject to an up-charge for small quantities. See table tops section in the Aceray price list.

Tax

Unless otherwise noted, sales, use, occupation, excise, and other taxes are not included in the price and such taxes or any costs in connection therewith, wherever levied and whether imposed before or after payment of invoice, shall be paid by buyer to the appropriate authority. End user is responsible to pay all applicable taxes to their governing authority.

If you qualify for sales tax exemptions, the appropriate documentation must be submitted to Aceray.

Credit Terms

Credit accounts can be opened for repeat customers who have good credit ratings, satisfactory trade references and respect the agreed upon payment conditions. Before credit terms and a credit limit can be established, you must submit a Credit Application Form. Terms are net 30 days from date of invoice. A finance charge of 1.5% per month is applied to all overdue balances. Orders for non-stock merchandise require a 50% deposit even if the customer has terms. The balance will follow the agreed upon payment schedule. In the event of delinquency, the customer shall be responsible for all collection costs, including attorney's fees. Aceray reserves the right to cancel or change credit terms and to request advance payment at any time.

Storage

Any order held at Aceray's distribution center for over 30 days will be transferred to storage. Costs incurred for transportation, warehousing and re-delivery will be charged to the purchaser and Aceray will deem such transfer as constituting shipment, including invoicing as of date transfer is made.

Storage charges will be calculated at a rate of \$250 Net per month per pallet. Orders not shipped/paid in full 90 days after the first notification of storage fees will be cancelled and any deposits will not be returned.

Due to the inherent nature of wood products, we cannot guarantee any product stored or set in place in an environment where temperature and humidity are not controlled. Temperatures must be maintained within a range of 50 – 80 F (10 – 27 C); the relative humidity must be maintained between 30% and 60%.

Order Cancellation & Returns

Orders are not subject to change or cancellation without factory approval. Aceray will make every reasonable effort to stop production scheduling, shipment, etc., upon receipt of written notification of changes, cancellations or deferrals stipulated as follows. Unused RTS products in their original packaging may be returned. If changes or cancellations are approved by an Aceray manager, the following cancellation charges apply:

25% restocking fee for Ready to Ship items

To return merchandise to our Lebanon, PA distribution center, a written consent known as a Return Merchandise Authorization (RMA) and a return number are required. The RMA includes appropriate shipping instructions. Unauthorized returns will be refused and/or

returned freight collect. Contact Aceray to get the necessary documentation. Damaged returns are subject to additional charges incurred to restore goods to original condition. All returned merchandise will have to be shipped freight prepaid.

For non-stock items, once the deposit and/or upholstery are received, the order cannot be cancelled or changed.

SHIPPING

If shipping and routing instructions are not provided on the customer PO, Aceray reserves the right to ship merchandise using what it considers to be the best possible shipping method. Overnight express orders are available upon request for an additional charge. Delivery address change requests made after the order has shipped will result in shipping delays and additional charges. If re-delivery of merchandise is required for any reason, all costs associated with re-delivery including freight, storage and re-handling will be billed to the customer.

If you prefer to choose your own transportation company, we will ship FOB from our Pennsylvania (PA 17042) distribution center. If billing through a third party, the payer's discount program will take precedence; please consult your carrier for a freight quote. Please contact Aceray if you're shipping to a location not listed in the table below or if you need expedited service. Aceray does not provide shipment size or weights for 3rd party shipping. Aceray will not ship orders COD.

Guaranteed Freight Shipping Costs

Aceray offers "Guaranteed Freight" as an option to our valued customers. Prepaid & Add shipping prices apply to List Prices and do not include Inside Delivery, Diversions & Reconsignments, Storage by carrier, Air Freight and Residential. Transfer times are not guaranteed. The minimum freight charge is \$110. Call Ahead service charge: \$30, Lift Gate charge: \$75, Residential Deliveries: \$75, and Inside Deliveries charge: \$150. Inside Deliveries include a lift gate and call Ahead service. A \$50 additional freight fee will be charged per order on oversize items such as Lounge Chairs, Love Seats, Benches, Tables, Table Bases, and Table Tops.

See the chart below for pricing details:

	CT, DC, DE, MA, MD, NJ, NY, OH, PA, RI, VA, WV	AL, AR, CO, FL, GA, IA, IL, IN, KS, KY, LA, ME, MI, MN, MO, MS, NC, ND, NE, NH, NM, OK, SC, SD, TN, TX, VT, WI	AZ, CA, ID, MT, NV, OR, UT, WA, WY
ORDER LIST VALUE	FREIGHT COST = PERCENTAGE OF LIST PRICE		
\$1,001 - \$2,000	6%	7%	8%
\$2,001 - \$4,000	5%	6%	7%
\$4,001 - \$10,000	4%	5%	6%
> \$10,000	Call for freight quote	Call for freight quote	Call for freight quote
Standard processing time	48 hours	48 hours	48 hours
Standard transit time	1-2 BUSINESS DAYS	3-4 BUSINESS DAYS	5-6 BUSINESS DAYS

Damage Claims & Errors

Aceray is not responsible for damages or loss incurred in transit. All furniture is carefully inspected and securely packed before it is shipped. Products are shipped at the customer's own risk and are accepted as such by the carrier. Title and all risks of loss or damage on all shipments are passed to the customer upon delivery of merchandise to a carrier from Aceray's warehouse.

It is the consignee's responsibility to inspect cartons for visible signs of damage before accepting merchandise from the carrier. Any damage or any loss must be noted on the delivery receipt. If an item is either lost or damaged, make an immediate claim with the carrier. Receiver should not refuse shipment under any conditions. Refused shipments are the customer's responsibility as all items ship FOB Lebanon, PA. Aceray LLC will not be responsible to track or refund refused deliveries. In case damage is concealed and not determined until furniture is unpacked, keep all the packing materials and notify the carrier within 5 working days from delivery.

When you receive product from our freight carriers, it is extremely important to inspect the carton/crate for any damage or even an indication of the possibility of damage. You will be asked to sign a Bill of Lading which indicates you are receiving the product in perfect condition. There is a box to note any "visible" damage on the carton/crate. This is both your protection and ours against any freight claims. Without notation of damage there is no recourse.

Any damage claim needs to be filed by the customer with the freight carrier, in writing, within 5 working days after delivery. Failure to make such claims shall constitute acceptance of the merchandise and waiver of any defects, errors or shortages.

Aceray will gladly guide customers in the process of making a freight claim with the carrier. Deductions should not be made in the settlement of invoices. Such deductions will be considered late payments and liable for any associated fees.

Should the transportation company seek to limit its liability on concealed, loss, or damage claims, please contact Aceray immediately. After an investigation of the claim, Aceray will provide guidance in corresponding with the carrier. Aceray and its carriers will not be held responsible for the payment of claims if the above guidelines are not followed.

All costs for furniture installation, loss of use, temporary furniture, removal from service and reinstallation due to damage claims, partial shipments or shipping errors is the responsibility of the customer. Aceray LLC will not be liable for costs associated with any of the above conditions.

If a shipping error occurs, products must be returned unused, in the original packaging to Aceray LLC's distribution center. Customer must contact Aceray LLC within 5 business days after delivery to receive an RMA. Aceray will ship the correct product free of charge to the SAME DELIVERY ADDRESS AS THE ORIGINAL ORDER as soon as the mis-shipped product is returned. Any shortage, including hardware, must be reported to Aceray LLC within 5 business days of delivery, after this time, Aceray LLC will not be liable for costs to replace missing pieces. Aceray and freight carriers cannot be held as indefinite insurers of goods after delivery.

Aceray should be contacted if customers have questions during installation of any products. Only hardware provided by Aceray should be used to assemble products. Power tools should not be used at any time.

WARRANTY

Original purchasers of Aceray products are protected against defects in material and workmanship for a **period of 5 years** for indoor products and a **period of 3 years** for outdoor products of single shift service from the date of shipment. This warranty does not cover:

- Wear and tear
- Upholstery materials either supplied by Aceray or the purchaser
- Laminate " subject to warranty of the laminate company
- Product Failure, Damage or injury caused by:
 - unreasonable or abusive use
 - failure to provide necessary reasonable care
 - failure to follow maintenance guidelines
 - accident, tampering or negligence
 - unauthorized repairs
 - after market changes to the product

- improper installation

Periodic maintenance is necessary. Products should be inspected at least once a month for damage or signs of structural fatigue incurred in daily handling in addition to receiving regular cleaning & maintenance (i.e. screws and bolts should be tightened, foot caps and glides replaced regularly). If a defect is found, take the item out of service immediately and contact Aceray LLC. All warranty, both expressed and implied, shall be invalid if proper care and maintenance procedures are not followed. Consult Care & Maintenance section in Aceray Terms and Conditions of Sale.

Coats and other articles should not be hung on the back of chairs. This practice may cause chairs to be unstable. Do not stand, lean, climb, kneel or rock on any products. Chairs are not designed to be placed seat down on table surfaces. Chairs stored in this manner are unstable. The shock of chairs falling from table tops may compromise the structural integrity of the shell/base attachment. This damage is not covered under Aceray's warranty.

Bases and tables are not meant to be moved. Once installed they should remain stationary. Moving tables that do not have casters will cause product failure. This is not covered under product warranty.

Damage to chairs caused by stacking/unstacking methods are not controllable by Aceray and are not covered under Aceray's warranty. Should a defect occur, Aceray's sole obligation will be to repair or replace at our option defective goods free of charge provided the product is returned to us promptly, as directed, prepaid, and with an RMA number. All costs for labor, furniture installation, removal from service and reinstallation due to warranty claims are the responsibility of the customer. Aceray LLC will not be liable for costs associated with any of the above conditions.

Under no circumstances shall Aceray's warranty exceed the original price paid for the merchandise. Any refund extended will be prorated. Repair or replacement of discontinued products will be at the discretion of Aceray.

No reimbursements for repairs made in the field will be allowed without prior written consent.

Variations in colors, grain or texture beyond reasonable commercial match are not warranted due to natural characteristics of the materials used. If the item's useful life expires, it must be handled as waste. This means it must be handed over to a licensed facility for disposal (such as a waste collection facility). No other warranty expressed or implied

CARE & MAINTENANCE

Periodic maintenance is necessary to ensure durability and customer satisfaction. Customers need to inspect, clean and tighten screws and bolts on each product monthly.

Wood Products: At least once a month, perform a thorough inspection of each product. Particular care should be taken when inspecting for loose joints as one loose joint can cause pressure on all joints which may cause the product to collapse. In the event a loose joint is found, take the product out of service immediately and tighten the joint. Do not use chemical solvents (trichlorethene, acetone, benzene etc.) to clean the wooden parts of the product. The furniture should not come into direct contact with water or be placed in a damp environment. Do not place hot, chemically reactive and unsuitable objects on the horizontal surface. Do not place ice buckets or vases on table tops for extended periods of time. The product should not be placed in direct sunlight or extremely hot or humid environments such as cooking facilities. Remove dust with a soft, clean and dry duster. For more extensive staining, use cleaning agents designed for furniture finished with all types of lacquer. Strictly adhere to the label instructions for use of the cleaning agent. Do not use cleaners with ammonia, degreaser, bleach or abrasives.

Outdoor Products: At least once a month, inspect glides and replace them if necessary. Glides help prevent products from slipping or tipping over. Chemical solvents should not be used for product cleaning. Lukewarm water is recommended for cleaning outdoor furniture in particular removal of dust and common stains. Outdoor products should not be pressure cleaned.

Metal Products: At least once a month, inspect glides and replace them if necessary. Glides help prevent products from slipping or tipping over. To maintain the brilliant finish of chrome parts, use high quality grade automotive chrome cleaner as needed. Clean PVC with a mild soap and water solution.

Stainless Steel Products: Clean with a small amount of water and a clean cloth. If that isn't as effective, try a mild detergent like dishwashing liquid. Glass cleaner can be great to remove smudges and fingerprints. If you've had staining or scratching, or need to polish your stainless steel, a stainless steel cleaner should be used. Stainless Steel cleaners and polishes can help minimize scratching and remove stains. Read the directions on the stainless steel cleaner and test in an inconspicuous spot. Be sure to rinse thoroughly and towel dry.

Laminate: Consult laminate manufacturer for cleaning instructions.

Other Products: Only use non-abrasive cleaners that are specifically made for the type of surface being cleaned (glass, granite, stainless steel, chrome, etc.) Strictly adhere to the label instructions for use of the cleaning agent.

Upholstery: Clean vinyl with a mild soap and water solution. Spills and spots require prompt action, since stains can become permanent if allowed to set. Do not clean leather with water or allow water or stains to set into leather. Clean with specialty leather cleaner. For all other fabrics please consult the fabric manufacturer's cleaning instructions.

FABRICS & FINISHES

Wood is a natural, organic product and owes its inherent beauty to variations in color, grain and texture. These variations are not considered defects. There may be minor

variations from one piece of furniture to the next even though they were finished at the same time. Different woods, as well as grain and tone variations in the same wood, absorb stains differently. Samples are provided as a guide only. Therefore, do not expect an exact duplication. Natural wood products become darker as they are exposed to light and the aging process. Aceray does not guarantee the exact matching of grain, pattern, and color. On any order where an exact finish match is required (i.e. replacements or reorders), the PO must be clearly marked.

Custom Finishes

Many of Aceray's products may be finished in custom wood stains. Samples for matching must be provided with your order and should be at least 4" x 4" in size. Don't forget to indicate the percentage of Gloss Grade you desire. As a guide, custom wood finishes will require a 24 pieces minimum order at a \$200 net up-charge per order. Final up-charges may vary depending on factors such as the item ordered, the material selected, and the manufacturing equipment and process used. When matching other manufacturers' standard wood finishes, Aceray is not responsible for variations in their wood samples and/or actual furniture. Aceray does not provide a 'return' wood sample for approval.

Graded in Fabrics

Aceray works with leading textile manufacturers in Europe and the U.S. You may select textiles from **GS-Tessuti, DesignTex, Maharam, Arc-Com, Architex, Momentum, and Mayer**. Most of the presented styles from these companies are ready for immediate delivery. All graded in patterns are applied off the bolt. Other applications for graded in fabrics may require an up-charge. You may also select from **Aceray's Leather Alternative** designs and from **Garrett Leather** – Avion, Berkshire, Caressa, Chatham, Distressed, Glazed, Torino, or Vintage.

COM

Aceray welcomes the use of COM/COL. Send materials to Aceray's corporate office in Wheat Ridge, CO, freight prepaid. Mark packages with the Purchase Order number and purchaser's name. Upholstering directions must be provided to Aceray in writing with your PO- if not provided, **COM will be applied off the bolt.**

An Aceray representative will assist you in calculating yardage requirements for all fabrics which are patterned or narrower than 54 inches wide. Yardage requirements may change depending on upholstering directions, fabric quality and pattern. The customer must provide required yardage based on these variables even if original quoted yardage is different than yardage actually needed. Aceray is not responsible for extra cost or lead time incurred by customer due to shortage of COM/COL. When supplying fabric on multiple rolls, add 2 yards to the total yardage requirement.

Aceray reserves the right to reject any upholstery that is unsuitable for production. In no instance shall Aceray be held responsible for unsatisfactory results due to the use of coverings unsuitable to our manufacturing methods.

Aceray is not responsible for receipt of defective fabrics, as we apply all COMs and COLs as first quality goods. While Aceray inspects fabrics for mill imperfections, some are difficult to recognize. Aceray cannot be responsible for defects, color inaccuracies, dye lot variations and other such flaws. Such defects or flaws may require additional COM

yardage and an extended production time. Aceray assumes no responsibility for the flame retardancy of any COM. Customers are solely responsible for making sure that COM/COL applies with all applicable codes and regulations.

Aceray cannot predict or be responsible for how upholstery wears in an installation setting. We will not be held responsible for wear, fading, stretching, puddling, unraveling seams or performance of any upholstery material whether supplied by the customer or our sources. There is no warranty on COM/COL.

COL hides must be rolled for shipment to Aceray in a proper manner; excess fold marks and creases need to be avoided. Aceray has the right to reject COL that is received folded.

Half hides are not acceptable. All square footage requirements are based on usable footage. The shape of the hide, excessive holes, cuts or other imperfections may result in Aceray having to request additional COL.

Excess COM/COL will not be stored or returned.

Additional charges apply: combining more than one upholstery product is an additional \$10 net per item or 10% NET for lounge products, basic pattern matching is \$15 Net per item and COL is \$20 Net per item unless otherwise noted in price list.

**For more extensive pattern matching, special upholstery requirements, or specific pattern placement, contact Aceray for pricing and yardage requirements.

SPECIAL UP-CHARGES SUMMARY

Special requests must be specified in writing on customer's PO. Custom changes cannot be made after production is completed. Fees serve as a guide only. Aceray reserves the right to change minimums or fees for custom requests at any time. Some Aceray products cannot be customized.

- Small order surcharge of \$60 net for orders under \$1,000 list, except RTS products
- Cut-Down Fee on pre-approved metal or wood products, \$200 Net per order
- Adding stretchers on pre-approved wood products, \$10 Net per stretcher
- Custom wood finish on pre-approved products, \$200 Net per order (minimums apply)
- TB 133 Fire Barrier on pre-tested products \$30 net per yard of upholstery required
- Multiple COMs/COLs on one item, additional \$10 Net per item or 10% of Net for lounge products.
- Basic upholstery pattern matching, \$15 Net per item. For more extensive pattern matching or for specific pattern placement contact Aceray for pricing and yardage requirements.
- Use of COL, \$20 Net per item unless otherwise noted in price list.
- Additional foam on pre-approved products, \$15 Net per item