

# Credit Policy- Domestic Accounts

## Ledebuhr Industries, Inc.

Last Update: February, 2010

Initial terms are Prepayment by Credit card, Check, or Bank Transfer, or Cash on Delivery. With approved credit, net 30 terms will be extended. If a credit application does not accompany this document, please call us to request one.

**Vendor credit is granted based on the understanding that there is a willingness and ability on the customer's part to pay in a timely fashion.** If standard terms cannot be met, it is the customer's responsibility to initiate arrangements with the vendor in advance. Failure to do so will result in loss of credit and /or collections efforts.

Our Standard terms include the following conditions:

- 1) All invoices are to be paid *within* thirty days. Between the 31st and the 35th day, if we have not received the outstanding invoice, we will call once to the company's representative as a reminder.
- 2) If we have not received the balance within 45 days and the company has not initiated any prior arrangements with Ledebuhr Industries concerning a timeline for full payment, we will issue finance charges on that and any other outstanding invoices at a rate of 1.5% per month, beginning from the original invoice date.
- 3) If the payment(s) fall more than 45 days behind and in the absence of prior written arrangements, vendor terms will convert to a Prepayment/ Cash-On-Delivery basis.
- 4) Any unresolved balances over 90 days without prior arrangement in writing from the customer will result in initiation of collection efforts and credit bureau reports.
- 5) On accounts over 45 days, No deliveries will be made until ALL past due balances, including finance charges, are resolved.

# Blanket Order Policy, Domestic Accounts Ledebuhr Industries, Inc.

Updated February, 2010

When orders reach certain quantities or future required release dates and quantities are known in advance, Ledebuhr Industries offers our customers the option of twelve-month blanket orders on all our primary products, as well as replacement parts. This policy is designed to help you obtain maximum production flexibility and enables us to manage our production and inventory more efficiently, thereby providing better, more responsive service. Placement of a blanket order indicates acceptance of the following terms, and acceptance of the order by Ledebuhr is subject to the following conditions:

1. A blanket order should cover carefully estimated product requirements for up to a one-year period. The customer's purchase order should reflect the quantity of each item and the target release date. Customer may adjust release dates within the 12 month period *with prior written consent* from Ledebuhr. Unless otherwise specified at the inception in writing, all blanket orders expire 12 months after the initial date of agreement. Blanket orders that have not been fully released within 12 months, will be released and billed payable in full, at the blanket order pricing, at the conclusion of the 12 month period.
2. Downpayment: a non-refundable downpayment will be required with most blanket orders, and will be applied proportionally to each item as released throughout the blanket. Downpayment will not be applied as 100% payment to any portion of the blanket.
3. Changes: On blanket orders, Ledebuhr Industries, Inc. reserves the right to manufacture all special parts and assemble ordered products immediately at the time of order. In the event of a change in specification, the customer will be responsible for, and billed payable in full for, those special parts not currently used in the regular production of other products manufactured by Ledebuhr Industries, and for the cost of assembly and disassembly of finished products previously completed. Substitutions of stock components will be considered on a case by case basis, with Ledebuhr as the final arbiter.
4. Cancellation: Should the customer decide to cancel their blanket order for any reason, customer agrees that they will be obligated to pay in full the following: 35% of the unreleased value of the merchandise, plus 100% of the value of custom parts and assemblies that have been built or ordered at the time of cancellation.
5. No Carry Forward: Any pricing, downpayment, or other considerations that were part of the blanket order will expire at the conclusion of the 12 month period. Ledebuhr has no obligation to carry any of these considerations beyond the blanket period. Downpayment balances left at the time of expiration will be applied to the cancellation fees described in #4 above, with any remaining balance considered forfeit as in #2 above.