<Company Name>

Payment Terms Policy

All projects commenced on or after the Effective Date must be subject to the following payment terms. Any variation from these terms must be approved in advance by <Company Contact>.

# I. SALES

A. First Time Customer:

* 50% Down with signed quotation
* Balance on Delivery C.O.D. (cash, check or credit card)

B. Recurring Customer: (Orders greater than $5000+ or for deliveries to locations outside of <State>)

* 50% Down with signed quotation
* Balance Net 15 – Upon Acceptable Payment Performance

C. Recurring Customer: (Orders under $5,000 for deliveries to locations in Minnesota)

* 0% Down with signed quotation
* Balance Net 15 – Upon Acceptable Payment Performance

# II. SALES & INSTALLATION

A. Retrofit: (50/50 or 50/47/3)

* 50% Down with executed Sale & Installation Agreement
* 50% Upon earlier of Substantial Completion (evidenced by fully executed Substantial Completion Acceptance Form) or when customer begins using the system
* If necessary, a 3% holdback may be withheld until all Punch List Items are complete

B. New Construction: (25/50/25 or 25/50/22/3)

* 25% Down with executed Sale & Installation Agreement
* 50% 60 days prior to install
* 25% Upon earlier of Substantial Completion (evidenced by fully executed Substantial Completion Acceptance Form) or when customer begins using the system
* If necessary, a 3% holdback may be withheld until all Punch List Items are complete

# III. DESIGN

A. New Construction/Retrofit: (70/30)

* 70% Down with executed Design Agreement (TBD)
* 30% Balance Due Upon Delivery of Design Drawings

## Other Terms

* <Company Name> Lead Installer to notify project manager (in advance) of substantial completion.
* <Company Name> Project Manager to send customer the Project Punch List Form and set up and conduct a training session/walk-through and have customer sign off on Acknowledgment of Operational Training Form along with Substantial Completion Acceptance Form.
* Project Manager to give <Company Name> Accounting Dept. the 3 executed Forms (Acknowledgment of Operational Training Form, Project Punch List, Substantial Completion Acceptance Form)
* Accounting to fax/mail Invoice for Final Payment
* Project Manager to coordinate with Lead Installer on completion of Punch List Items and to have customer sign off on Punch List Item Form.
* Customer must sign off on Substantial Completion Acceptance Form prior to using the system. Final payment must be submitted to <Company Name> within five (5) business days of the date of the Substantial Completion Acceptance Form.