

ARCO Electric Products

TERMS AND CONDITIONS OF SALE

All products and services furnished by ARCO Electric Products (Seller) and all Seller's quotations, order acceptances, and sales are conditioned on assent to these terms and conditions of sales, which may not be varied or waived except by express written agreement.

I. TERRITORY

These terms and conditions of sale apply to all shipments and shipping points within the continental United States (contiguous 48 states) and the provinces of Canada.

II. PRICE

All prices for ARCO products are subject to change without notice. It is the Purchaser's responsibility to provide ARCO with written proof of tax exemptions. Absent written proof, any tax or other or other governmental charge on the production, sale, or shipment of products imposed by state, federal, municipal, or other authorities shall be added to the invoice total and must be paid by the Purchaser.

III. TRANSPORTATION CHARGES

Delivery terms are F.O.B. Shelbyville, Indiana 46176. ARCO Electric Products reserves the right to select the method of shipment, routing, and carrier for all products sold. Upon ARCO Electric Products approval, additional transportation costs due to the Purchaser's request that routing, method of shipment, or other instructions will be added to the invoice total and paid by the Purchaser.

IV. ORDERS/ RETURNS/ RESTOCKING/ CANCELLATION

All orders are subject to acceptance and approval by ARCO Electric Products' credit department and are not binding, and may be removed by ARCO Electric Products from its manufacturing schedule at the factory. ARCO Electric Products reserves the right to select its own customers and reject an order or to refuse to bid on any requirement.

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- 4.1) **NO RETURN OF PRODUCTS WILL BE ACCEPTED WITHOUT PRIOR WRITTEN APPROVAL!**
- 4.2) 4.2.A Any unit returned for restocking must be:
- 4.2.B Approved for return by Arco Electric Products within 30 days of installation or 45 days of factory shipment with authorized RGA#.
- 4.2.C Shipped to ARCO Electric Products **FREIGHT PREPAID**; collect shipments, unless otherwise approved, will be refused at the receiving dock.
- 4.2.D In same condition as when it was shipped from ARCO Electric Products.
- 4.3) A minimum restocking or cancellation charge will be assessed as outlined below on the following units with a **minimum charge of \$100.00 dollars per invoice**. Any damages will be charged for accordingly.
- 4.4) **A Reconditioning Fee may apply to all items shipped back in order to return them to stock as a new unit. This will be determined by ARCO ELECTRIC PRODUCTS after it has been returned and inspected.**
- 4.5) **CATEGORY I**
20% Restocking Charge will apply on all manual ROTO-PHASE I and ROTO-PHASE II units rated at 240 VAC - 60 HZ and any POWER FACTOR CORRECTION capacitor banks rated at 240 VAC and 480 VAC - 60 HZ.
- 4.6) **CATEGORY II**
25% Restocking Charge will apply to the following: 208 VAC, 480 VAC, 575 VAC – 60 HZ ROTO-PHASE converters, any ROTO-PHASE III converters, ALL ROTO-PHASE CONVERTERS WITH BUILT-IN STARTERS, VOLTAGE REGULATION, STATO-PHASE static converters, and POWER FACTOR CORRECTION capacitor banks rated 600 VAC – 60 HZ.
- 4.7) **CATEGORY III**
30% Restocking Charge will apply to any PARTS ordered (i.e. Transformers, Roto-Phase parts, and Power Factor Correction Bank parts).

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4.7) CATEGORY IV

A **50% charge** will apply on all SPECIAL DESIGN manufactured Roto-Phase converters (i.e. CNC Series, SP Series, PV Series, CL Series, ELV Series, TM Series, HDH Series, AUTOMATIC Series, and Units with High Torque Kits), Any Roto-Phase Converter units in Fiberglass Enclosures, and any ROTO-PHASE Converters rated at 50 HZ.

4.8) CATEGORY V

SPECIALLY ENGINEERED MOTORS and POWER FACTOR CORRECTION BANKS are not subject to cancellation. Any cancellation of SPECIALLY ENGINEERED PRODUCTS will be subject to full invoice charges. Cancellation of special units will be invoiced on a time and material basis.

V. TERMS OF PAYMENT

Payment terms are NET 30 days. Invoices will be dated as of date of shipment. A service charge of 18% per annum will accrue after 30 days from the invoice date. Accounts that have not been paid within 90 days of invoice will be turned over to Dunn & Bradstreet for collection. Purchaser shall pay ARCO Electric Products' reasonable attorney fees and costs incurred in collecting delinquent accounts.

VI. GENERAL

ARCO Electric Products shall not be liable for any delay or default in delivery of products where occasioned by any cause of a kind or extent beyond the control of ARCO, including without limitation: armed conflict or economic dislocation resulting there from; embargoes; shortages of labor, raw materials, fuel, energy, production facilities or transportation; labor difficulties, civil disorders of any kind; action of civil or military authorities (including priorities and allocations); fires, floods, carrier failures, and/ or accidents.

VII. WARRANTY

ARCO Electric Products warrants that its products are free from defect in material and workmanship as of the time and place of delivery. (Also, where ARCO Electric Products undertakes to perform or assist in any servicing, repair, or replacement, ARCO warrants

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that its performance or assistance will be free from defect in material and workmanship.) ARCO's warranties are as limited as stated in the previous sentence, and ARCO disclaims all other express warranties and all implied warranties as to the quality of any products or services furnished by ARCO Electric Products, including the **IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

In the event any of the products are not free from defect in material and workmanship, the exclusive remedies therefore shall be repair, replacement, or return of the purchase price upon authorized return of the defective product. Selection among these remedies shall in each case be at ARCO Electric Products' reasonable discretion. Any such claim against ARCO Electric Products must be made in detail and in writing and promptly pursued. **Products that Purchaser claims are defective must be returned at Purchaser's cost.**

Five years after delivery, all of ARCO's warranties and other duties with respect to the exclusive remedies provided for herein shall be conclusively presumed to have been satisfied. All liability thereafter terminates, and no action for any breach of any such warranty or duty against ARCO may thereafter be commenced.

VIII. NO INCIDENTAL OR CONSEQUENTIAL DAMAGES

ARCO Electric Products shall not be liable for any incidental or consequential damages under any circumstances whatsoever, whether based on lost goodwill, lost resale profits, work stoppage, impairment of other products or otherwise, and whether arising out of breach of any warranty, breach of contract, negligence or otherwise.

IX. MODIFICATION OR TERMINATION

Products shall be shipped and invoiced by ARCO Electric Products pursuant to the terms and conditions contained herein, which terms and conditions shall constitute the entire agreement between ARCO Electric Products and Purchaser, and supersede any and all prior representations, agreements, or understanding, if any, whether oral or written, relative to products delivered hereunder. In the event that any of the terms of any purchase order of Purchaser conflict with any of the terms and conditions set forth herein, these terms and conditions contained herein shall be effective unless made in writing on a date subsequent to the effective date hereof and executed by ARCO Electric Products. ARCO Electric Products hereby gives notice of its objection to any additional or different

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conditions in Purchaser's purchase orders of communications. In the absence of written acceptance of these terms and conditions, the acceptance by Purchaser of any products delivered hereunder shall constitute acceptance of the terms and conditions herein stated.