

PACIFIC UTILITY PRODUCTS, INC
2430 Railroad St., Corona, Ca. 92880 800-860-6157

STANDARD CONDITIONS OF SALE:

The information contained herein covers the terms and conditions under which Pacific Utility Products (P.U.P.) products are sold. Any modification of these terms and conditions, unless agreed to in writing, will not be recognized.

CHANGES: Prices, conditions and terms of sale are subject to change without notice.

PRICE POLICY: Prices are firm for shipments within thirty (30) days from date of order unless stated otherwise on the quotation.

TERMS: Terms are **2% ten (10) days net thirty (30) days from date of invoice.** If in the opinion of the Company, the financial condition of the purchaser at any time does not justify continuance of production or shipment on the terms of payment specified, the Company may require full or partial payment in advance. Pro rata payments shall become due as shipments are made. If shipments are delayed by the purchaser, payment shall become due from the date when the Company is prepared to make shipment. If manufacture is delayed by the purchaser, payment shall be made based on the contract price and percent of completion. Apparatus held for the purchaser shall be at the risk and expense of the purchaser.

QUOTATIONS: Quotations, written or verbal, are subject to the conditions of sale listed herein. Written quotations automatically expire thirty (30) days from the date issued and are subject to withdrawal by notice within that period. Verbal quotations automatically expire twenty-four (24) hours from the time issued.

ACCEPTANCE OF ORDERS: All orders shall be written and are subject to acceptance at the factory.

EQUIPMENT DESTINED FOR FEDERAL, STATE OR LOCAL GOVERNMENT: P.U.P. is not bound to honor quotations for equipment destined for Federal, State or Local Government unless P.U.P. knows at the time of quoting that it is a government job as these orders frequently involve higher administration costs.

TAXES: Prices do not include sales, use, excise, or other taxes. If any products or materials delivered hereunder be determined to be taxable under any sales, use, excise or other taxes applicable to the sale or delivery of personal property, Purchaser shall be liable for and pay the same without recourse against Seller, or in lieu thereof furnish Seller with a tax-exemption certificate acceptable to taxing authorities.

ERRORS: All stenographic and clerical errors are subject to correction.

DELIVERY: F.O.B. - P/S - FRT/PPD: Apparatus is sold F.O.B. point of shipment; freight prepaid on \$1,850.00 net or more.

Destinations within the Continental United States:

To the common carrier point nearest to the first destination on shipments over 100 pounds. (All shipments under 100 pounds are freight collect regardless of destination.)

Destinations outside the Continental United States, including Alaska: To the common carrier point of departure from the Continental United States.

Cartage (Store Door) delivery: Transportation charges incurred from the nearest common carrier point to final destination (or to ship side) are the responsibility of the customer unless the common carrier furnishes store door delivery at no extra charge.

UNLOADING AND DEMURRAGE: Unless stated otherwise in our quote, it is the customer's responsibility to unload all shipments whether by rail or truck. All demurrage charges are customer responsibility.

P.U.P. recognizes that sometimes the size or weight of shipments requires the customer to make prior unloading arrangements. In such cases the customer shall advise **P.U.P.** prior to shipment the hours during which shipments can be received and the notice required before delivery. **P.U.P.** will then reflect these arrangements on the bill of lading.

Origin method of shipment and routing: The Company will determine the point of origin, method of transportation, and the routing of shipment. Purchasers requiring other routings will be billed any excess in transportation charges. If the Company elects to ship by other than common carrier, full transportation charges will be prepaid.

Purchaser pickup : No allowance will be made in lieu of freight or cartage if the purchaser accepts shipment at our factories or warehouses.

U.S. Government: If shipment is to be made on Government Bill of Lading, Our terms are F.O.B. P/S with no freight allowance.

PENALTY CLAUSES: The Company will not pay or be liable for any penalty, either liquidated or otherwise, for late delivery or installation. Shipping dates are estimated and are dependent upon prompt receipt of all information necessary for the proper execution of the customer's order. The Company shall not be liable for delay in delivery due to causes beyond its reasonable control or due to acts of God, acts of the purchaser, fire, strikes, floods, epidemics, quarantine, restrictions, war, insurrection, riots, civil or military authority, freight embargoes, car shortage, wrecks or other delays in transportation, unusually severe weather, or inability to obtain necessary labor, materials or manufacturing facilities due to such causes.

CANCELLATION: Any order or contract may be canceled by the purchaser only upon payment of reasonable charges based on the following tables:

- A. Where order is in process, but apparatus is not released for manufacture. 10% of apparatus price.
- B. Where order is in process with production space reserved and materials being readied for assembly. 20% of apparatus price.
- C. Engineering Complete. 25% of apparatus price.
- D. Purchasing Complete. 50% of apparatus price.
- E. Mat'l Rec'd in House. 75% of apparatus price.
- F. Production Started.... 100% of apparatus price.

WARRANTY: **P.U.P.** products are guaranteed to be first quality. They are further guaranteed, when used for the purpose intended and operated under normal conditions of voltage, frequency and load, to give continuous, efficient service. **P.U.P.** agrees to correct any defects in workmanship or materials, which may develop under proper or normal use during the period of one year from date of shipment. Should a product fall within the warranty period, **P.U.P.** will issue authorization to return the failed unit to **P.U.P.'s** plant freight prepaid. At **P.U.P.'s** option the failed product will be repaired, replaced or credit will be issued depending on the nature of the failure. A repaired unit or replacement will be delivered to the purchaser F.O.B. point of shipment with freight prepaid to the accessible carrier point nearest the first destination designated by purchaser. Repair, replacement or issuance of credit with regards to the defective product will constitute fulfillment of all **P.U.P.'s** liabilities in respect to said products. This guarantee does not include incidental expenses, such as expense of removing and replacing products from service. This warranty is exclusive and in lieu of all other warranties of quality whether written, oral or implied (including any warranty of merchantability of fitness for purpose.)

LIMITATIONS OF LIABILITY: **P.U.P.** shall not be liable in contract or in tort for special, indirect, incidental, or consequential damages, such as, but not limited to, loss of profits, or revenue, loss of use of power systems, cost of capital, cost of purchased or replacement power, or claim of customers of purchaser for service interruptions. The remedies of the purchaser set forth herein are exclusive, and the liability of **P.U.P.** with respect to any contract, or anything done in connection therewith such as the performance or breach thereof, or from the manufacture, sale, delivery, resale, installation, repair or use of any equipment covered by or furnished under this contract whether in contract, in tort, or otherwise, shall not exceed the price of the equipment or part on which such liability is based.

In the event of litigation the prevailing party shall be awarded reasonable attorney fees.

RETURNING APPARATUS

- A. In no case are goods to be Returned without first obtaining the Company's **written** permission.
- B. Any material returned and not authorized will remain the property of the sender and we cannot be held responsible for its loss by fire, theft or Damage.
- C. Only unused material as currently manufactured, which has been invoiced to customer within one (1) year will be considered for returns.
- D. We reserve the right to refuse any material returned for credit if our factory conditions warrant such refusal.
- E. Material accepted for credits subject to a **MINIMUM** service charge of 15% plus all transportation charges paid by us.
- F. Material built to order **NOT** subject to return for credit under any circumstances.
- G. If return is caused by fault of the company, full credit will be allowed including all transportation charges.
- H. Goods must be securely packed to reach us without damage. Any cost incurred by us to put goods in first class condition will be charged to the purchaser.

EXPORT PACKING: Prices shown in price lists are based on domestic packing only. Where packing for overseas shipments is required, refer to the factory.

CUSTOMER'S INITIAL:

(PLEASE RETURN TO PUP)