

# GENERAL CONDITIONS OF SALES OF ALFA TRANSFORMER COMPANY PRODUCTS

Unless other terms have been expressly agreed to in writing by Alfa Transformer Company, the following General Conditions of Sales shall apply to all sales transactions. The following Conditions of Sales are subject to change. All sales transactions are subject to the latest published General Conditions of Sales of Alfa Transformer Company and to any special Conditions of Sale which may be contained in applicable quotations and acknowledgements of Alfa Transformer Company.

## 1. ACCEPTANCE, GOVERNING PROVISIONS and CANCELLATIONS

No orders for Alfa Transformer Company (hereinafter "ALFA") equipment or services shall be binding upon ALFA until accepted in writing by an authorized official of ALFA. Any such order shall be subject to these General Conditions of Sale (hereinafter "Conditions") and acceptance shall be expressly conditioned upon assent to such Conditions, which assent shall be deemed given unless purchaser shall expressly notify ALFA to the contrary within five calendar (5) days after receipt of acknowledgement or confirmation of an order and in all events prior to any delivery or other performance of such order.

No order accepted by ALFA may be altered or modified by purchaser unless agreed to in writing, and signed by an authorized official of ALFA. Unless otherwise stated in ALFA quotations, any order or contract may be cancelled or terminated by the purchaser only upon payment of reasonable charges based on the following table:

- A. Where the order is in process, but apparatus is not released for manufacture – 10% of the apparatus price.
- B. Where order is in process with production space reserved and materials being readied:
- |                                 |      |
|---------------------------------|------|
| Engineering Complete.....       | 25%  |
| Purchasing Complete.....        | 50%  |
| Material Received In-House..... | 75%  |
| Production Started.....         | 100% |
- C. Where the order is received and the apparatus is in stock, but not loaded/shipped:
- |                               |     |
|-------------------------------|-----|
| New Equipment.....            | 15% |
| Other, Non-New Equipment..... | 10% |
- D. Where the order is received, the apparatus is in stock, and has shipped:
- |                               |                                       |
|-------------------------------|---------------------------------------|
| New Equipment.....            | 20% + all shipping and handling costs |
| Other, Non-New Equipment..... | 15% + all shipping and handling costs |
- No modified or other conditions will be recognized by ALFA unless specifically agreed to in writing and failure of ALFA to object to provisions contained in any purchase order or other communication from a purchaser (including, without limitation, penalty clauses of any kind) shall not be construed as a waiver of these Conditions nor an acceptance of any such provisions.

Any contract for sale is subject to these Conditions and shall be governed by and construed according to the laws of the State of Arkansas.

## 2. QUOTATIONS AND PRICES

Written quotations automatically expire thirty (30) calendar days from the date issued and are subject to withdrawal within that period. Verbal quotations automatically expire twenty-four (24) hours from the time issued. When an order is placed, prices are firm for shipment for ninety (90) calendar days from date of issue. Orders not released for shipment within sixty (60) calendar days from date of issue will automatically expire on that date.

All prices are subject to change without notice. All stenographic, typographical and/or clerical errors are subject to correction.

Orders amounting to less than \$150.00 net will be billed at \$150.00 plus transportation costs.

## 3. STATEMENT TERMS

Terms, discounts and discount dates shall be as stated in quotations, discount schedules, catalogues, invoices or other ALFA publications, and shall be final, provided that a service charge will be charged on accounts past due. Payment terms for all rush or expedited shipments shall be Net 15 calendar days after date of invoice unless otherwise stated in writing by ALFA.

ALFA reserves the right at any time to demand full or partial payment before proceeding with a contract of sale if, in its judgment, the financial condition of the purchaser shall not justify the terms of payment specified. If delivery is delayed or deferred by purchaser beyond the scheduled date, payment shall be due in full when ALFA is prepared to ship and the equipment may be stored at the risk and expense of purchaser (see Paragraph 13). If purchaser defaults when any payment is due, then the whole contract price shall become due and payable upon demand, or ALFA, at its option, without prejudice to other lawful remedies, may defer delivery or cancel the contract for sale.

## 4. EQUIPMENT DESTINED FOR FEDERAL, STATE OR LOCAL GOVERNMENT

ALFA is not bound to honor quotations for equipment destined for Federal, State or local government unless ALFA is made aware at time of quotation that it is for a government project, as these orders typically involve higher administrative costs.

## 5. TAXES

Prices do not include any Federal, State or local property, license, privilege, sales, use, excise, gross receipts or other like taxes which may now or hereafter be applicable to, measured by or imposed upon or with respect to the transaction, the property, its sale, its value or its use, or any services performed in connection therewith. Purchaser agrees to pay or reimburse any such taxes which ALFA or ALFA subcontractors or suppliers are required to pay.

## 6. DELIVERY

Delivery of equipment to a carrier at any major plant or other shipping point shall constitute delivery to purchaser, and, regardless of freight payment, all risk of loss or damage in transit shall pass to purchaser at that time.

Great care is taken in packing ALFA equipment. ALFA cannot be held responsible for breakage after having received "in good order" receipts from the transportation company. All claims for loss and/or damage must be made by purchaser to the carrier.

Claims for shortages or other errors must be made in writing to ALFA within seven (7) calendar days after receipt of shipment, and failure to give such notice shall constitute the qualified acceptance and a waiver of all such claims by purchaser.

No allowances will be made in lieu of transportation if purchaser accepts shipment at factory, warehouse, freight station, or otherwise supplies its own transportation.

Method and route of shipment shall be at the discretion of ALFA, unless purchaser specifies otherwise, and any additional expense of the method or route of shipment specified by the purchaser shall be borne by the purchaser. ALFA reserves the right to make delivery in installments, unless otherwise expressly stipulated in the contract for sale; and all such installments when separately invoiced shall be paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve purchaser of its obligations to accept remaining deliveries. Shipping dates are approximate and are based upon prompt receipt of all necessary information from the purchaser. ALFA shall not be liable for any damage as a result of any delay due to any cause beyond ALFA's reasonable control, including, without limitation, an act of God; act of purchaser, embargo or other governmental act, regulation or request; fire; accidents; strikes; slow-downs, wars,

riots, delay in transportation; car shortages; and inability to obtain necessary labor, materials or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay. Extra costs incurred by routing to purchaser's requirements will be assumed by the purchaser.

## 7. SUBSTITUTES

ALFA may furnish suitable substitutes for materials unobtainable due to priorities or regulations established by governmental authority or non-availability of materials from suppliers, and assumes no liability for deviation from published dimensions and descriptive information not essential to proper performance of the product.

## 8. WARRANTIES

ALFA warrants equipment supplied by it to be free from defects in materials and workmanship for a period of one (1) year from date of shipment, unless otherwise stated on special warranty documents, quotations, invoices, or other ALFA publications. A warranty of ninety (90) days may be applied, at ALFA's discretion, to equipment with special applications or equipment with unknown data. If within such period any such equipment shall be proved to ALFA's satisfaction to be so defective, such equipment shall be repaired or replaced at ALFA's option. Repair or replacement of the defective equipment will be scheduled at the shipment time in effect at the time of warranty determination and acceptance. The obligation of ALFA hereunder shall be limited solely to repair and replacement at its factory, of products that fall within the foregoing limitations, and it shall be conditioned upon receipt by ALFA of written notice within the warranty period of any alleged defects or deficiencies. No products shall be returned to ALFA without its prior written consent. ALFA shall not be obligated to accept shipping charges incurred, either through return of defective items to its factory, or return of repaired or replacement items to the user. ALFA cannot assume responsibility or accept invoice for unauthorized repairs to its products, even though defective. This warranty applies only to units proven defective under normal use, and does not apply to improper installation or alteration. Acceptance may be expressly provided in an authorized writing by ALFA. Under no circumstances should equipment supplied by ALFA be opened for inspection or modification, except that which is necessary for standard and proper installation, nor should it be opened in the field for repair without ALFA's express, written authorization. ALFA shall not be subject to any other obligations or liabilities whatsoever with respect to equipment supplied by ALFA or services rendered by ALFA. The warranty may be suspended or nullified at the option of ALFA if invoice is not paid in full within thirty (30) calendar days from its date.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES EXCEPT WARRANTIES OF TITLE, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## 9. LIMITATION OF LIABILITY

ALFA, its contractors and suppliers of any tier, shall not be liable in contract, in tort (including negligence) or otherwise for damage or loss of other property or equipment, loss of profits or revenue, loss of use of equipment or power systems, cost of capital, cost of purchased or replacement power or temporary equipment (including additional expenses incurred in using existing facilities) claims of customers of the purchaser, or for any special, indirect, incidental, or consequential damages whatsoever.

The remedies of the purchase set forth herein are exclusive and the liability of ALFA with respect to any contract, or anything done in connection therewith such as the performance or breach thereof, from the manufacture, sale, delivery, resale, or use of any equipment covered by or furnished under the contract, whether in contract, in tort (including negligence) or otherwise, shall not exceed the price of the equipment or part on which such liability is based.

## 10. CONSEQUENTIAL DAMAGES

Anything to the contrary herein contained notwithstanding, ALFA SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, CONTINGENT OR INCIDENTAL DAMAGES WHATSOEVER.

## 11. RETURNED GOODS, MATERIAL or EQUIPMENT

Authority for return must first be obtained from ALFA, if credit is to be allowed on all unused goods returned to the factory by the purchaser for reasons of his own. In addition to a restocking charge, the purchaser must pay the return transportation expense plus refurbishing charges. No return for credit is accepted by ALFA on used goods and custom-designed or special products.

## 12. BACK CHARGES AND HOLD BACKS

A. Back Charges: ALFA shall not accept any back charges unless specifically agreed to in writing by ALFA. If any situation arises that may require additional field labor and/or materials, purchaser should immediately contact ALFA for authorization and instructions prior to proceeding.

B. Hold Backs: ALFA shall not accept any hold backs without notification of hold backs prior to quotation AND without express, written consent by ALFA.

## 13. ABANDONMENT AND STORAGE OF EQUIPMENT

Any equipment left by the purchaser at ALFA's facilities, or vendor's facilities, for a period of ninety (90) calendar days without a written order will be deemed abandoned, and will be sold or disposed of at ALFA's discretion with all proceeds from the sale being retained by ALFA. If, after ninety (90) calendar days, the purchaser requests the return of the equipment and the equipment has not been sold or disposed of, ALFA reserves the right to invoice for work performed to determine damage and make a quotation, and assess a daily storage fee per the table below beginning the day after the equipment was delivered to ALFA's facilities. The table below also applies to any orders where work has been completed and is ready to ship, but the customer has requested shipment to be delayed.

Up to 100 lb:	\$10.00 per calendar day or any part thereof
100 to 499 lb:	\$20.00 per calendar day or any part thereof
500 to 999 lb:	\$35.00 per calendar day or any part thereof
1000 to 4999 lb:	\$50.00 per calendar day or any part thereof
5000 to 9999 lb:	\$75.00 per calendar day or any part thereof
10000 to 14999 lb:	\$100.00 per calendar day or any part thereof
15000 lb and above:	\$150.00 per calendar day or any part thereof

## 14. TITLE – RISK OF LOSS

Anything to the contrary herein contained notwithstanding, the title to equipment sold as herein described shall not pass from ALFA and such equipment shall remain the property of ALFA until full payment for such equipment is received by ALFA. Purchaser shall perform all acts which may be necessary to perfect and assure retention of title to such product by ALFA. Risk of loss of the product, or any part of same, shall pass to the purchaser upon delivery of such equipment or part, F.O.B. origin.

## 15. ATTORNEY'S FEES, COURT COSTS and COLLECTIONS FEES

If ALFA brings an action to enforce terms of sale or these Conditions, or to declare rights incident to the sale, ALFA shall be entitled to reasonable attorney's fees and/or court costs to be paid by the purchaser as fixed by the court. If ALFA secures an agent to collect any past due payment, ALFA shall be entitled to all reasonable collections fees to be paid by the purchaser.