

## **STANDARD CONDITIONS OF SALE**

The information contained herein covers the terms and conditions under which GENERAL SWITCHGEAR, INC. (**GSI**) products are sold. Any modification of these terms and conditions, unless agreed to in writing, will not be recognized.

**ERRORS:** All stenographic and clerical errors are subject to corrections.

**PRICE POLICY:** Prices are firm for shipment within six (6) months from date of quotation unless stated otherwise.

**STANDARD TERMS OF PAYMENT:** Standard terms of payment are net within thirty (30) days from the date of shipment. There will be no reduction in place for payments more favorable to **GSI** than the standard terms. If payments are not made in conformance with the standard terms, the quoted price shall, without prejudice to the right to immediate payment, be increased by a service charge of 1.5% per month on the unpaid balance, or the highest lawful service charge, whichever is the lesser. If in the opinion of **GSI**, the financial position of the Purchaser, at any time during the manufacturing period or at any time the product is ready for shipment, does not justify the terms of payment specified, **GSI** may require full or partial payment in advance. If the Purchaser delays shipments, payment shall become due from the date when **GSI** is prepared to make shipment. If the Purchaser delays manufacture, payment shall be made based on the contract price and percent of completion and Purchaser shall reimburse **GSI** for any additional costs resulting from such delay. Products held for the Purchaser shall be at the risk and expense of the Purchaser.

**QUOTATIONS:** Quotations written or verbal are subject to the terms and conditions of sale contained herein. Written quotations automatically expire thirty (30) days from the date issued (unless otherwise indicated) and are subject to withdrawal by notice within that period. Verbal quotations automatically expire three (3) days from the time issued. All stenographic, clerical or other errors are subject to correction.

**ACCEPTANCE OF ORDERS:** All orders subject to acceptance at the factory.

**CANCELLATION CHARGES:** Any order placed with **GSI** can be cancelled by the purchaser at the following charges: 10% after order entry; 20% after submittal; 33% after order released for purchase; and, 55% after order released for production.

**EQUIPMENT DESTINED FOR FEDERAL, STATE OR LOCAL GOVERNMENT:** **GSI** is not bound to honor quotations for equipment destined for Federal, State or local government unless **GSI** knows at time of quoting that it is a government job, as these orders frequently involve high administration cost.

**TAXES:** Prices quoted 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 transportation, the property, its sales, its value or its use, or any services performed in connection therewith. Purchaser agrees to pay reimburse any such taxes.

**MINIMUM BILLING:** Orders amounting to less than \$100.00 net will be billed at \$100.00 plus transportation costs.

**ATTORNEY'S FEE:** In the event of any controversy concerning any term or condition contained in the agreement, and in the event a suit or action is filed as a result thereof, then the prevailing party shall be entitled to be awarded, in addition to damages which would otherwise be recovered and in addition to all court costs reasonable attorney's fees to set by the court or courts in which the matter is tried or heard, including any appeal thereon.

**DELIVERY:** *Unless otherwise clearly stated in quotation*, this apparatus is sold F.O.B. point of shipment; freight is not included in the price. Shipments to destinations within the continental United States will be to the accessible common carrier point nearest to the first destination. Shipments to destinations outside of the continental United States will be to the accessible common carrier point of departure within greater Los Angeles County ports.

**WARRANTY:** The warranty period for products sold hereunder shall terminate one year after the date of shipment. **GSI** warrants the products supplied hereunder will be free from defects in workmanship and materials. If Purchaser notifies **GSI** of any failure to conform to this warranty within the warranty period and delivers the defective product to the location designated by **GSI**, freight prepaid, **GSI** will correct the nonconformity, at its option, by repairing or replacing the defective part or parts and delivering the product to the Purchaser F.O.B. point of shipment with freight prepaid to the accessible carrier point nearest the first destination designated by Purchaser. Correction of nonconformities in the manner and for the period of time provided above shall constitute a fulfillment of all liabilities of **GSI** with respect to or arising out of such products. This warranty applies to all products sold and delivered to destinations within the continental United States. **EXPORTS WARRANTY:** The warranty period for products sold hereunder shall terminate one year after the date of completion of installation, or 18 months after the date of shipment, whichever occurs earlier.

The exports warranty only varies from the WARRANTY in the following: (1) this warranty does not include field service trips outside of the continental United States. Purchasers requiring such field service will be billed based on price in effect at time of request; (2) any repaired or replaced parts will be delivered to the Purchaser F.O.B. point of shipment with freight prepaid to the accessible common carrier point of shipment with freight prepaid to the accessible common carrier point of departure within the continental United States; (3) this warranty applies to all products sold with ultimate destination outside of the continental United States. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY WHETHER WRITTEN OR IMPLIED INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR PURPOSE.

**LIMITATIONS OF LIABILITY:** 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 system, cost of capital, cost of purchased or replacement power, or claims of Customers of purchase for service interruptions. The remedies of the Purchaser as set forth herein are exclusive and the liability of **GSI** with respect to any contract, or anything done in connection therewith, or from the manufacture, sale, delivery, resale, installation or technical direction of installation, repair or use of any equipment covered by or furnished under this contract whether in contract or in sort, or otherwise, shall not exceed the price of the equipment or part on which such liability is based.

**UNLOADING AND DEMURRAGE:** Unless otherwise stated in our quotation, it is the Customer's responsibility to unload all shipments. All demurrage charges are the Customer's responsibility. **GSI** recognizes that sometimes the size or weight of shipments requires the Customer to make prior unloading arrangements. In such cases, the Customer shall advise **GSI** prior to shipment the hours during which shipments can be received and the notice required before delivery. **GSI** will then reflect these arrangements on the Bill of Lading.

**PURCHASER PICK-UP:** No allowance will be made in lieu of transportation if the Purchaser accepts shipment at the factory.

**FORCE MAJEURE LOSS, DAMAGE OR DELAY:** **GSI** will not be liable for failure to perform or for delay in performance due to fire, flood, strike, or any other labor difficulty, act of any governmental authority or of the Purchaser, riot, embargo, wrecks or delay in transportation, inability to obtain necessary labor, materials or manufacturing facilities from usual source or due to any other cause beyond its reasonable control.