

ALAMO TRANSFORMER SUPPLY CO.
10220 Mykawa
Houston, Texas 77048

TERMS & CONDITIONS OF SALE

STANDARD CONDITIONS OF SALE:

All products sold by ALAMO TRANSFORMER SUPPLY CO., hereafter referred to as the Company, are subject to these terms and conditions of sale:

PRICES: Prices are subject to change without notice.

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

QUOTATIONS:

Quotations, written or verbal, are subject to the terms and conditions of sale contained therein. Written quotations automatically expire thirty days from the date issued and are subject to withdrawal by notice within that period. Verbal quotations automatically expire twenty-four hours from the time issued.

ACCEPTANCE OF ORDERS:

All orders are subject to acceptance at the factory.

EQUIPMENT DESTINED FOR FEDERAL, STATE OR LOCAL GOVERNMENT:

The Company is not bound to honor quotations for equipment destined for Federal, State or local government unless the Company knows at time of quoting that it is a government job, as these orders frequently involve higher administrative costs.

TAXES:

Prices quoted do not include any Federal, State or local property, license, privilege, stte 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 the Company or the Company's subcontractors or suppliers are required to pay.

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

STANDARD TERMS OF PAYMENT:

Standard terms of payment are net within thirty days from the date of shipment, subject to credit approval. There will be no reduction in price for payments more favorable to the Company than the standard terms.

If payments are not made in conformance with the standard terms, the quoted price shall without prejudice to the right of ALAMO TRANSFORMER SUPPLY CO., 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 lesser.

If, in the opinion of the Company, 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, the company may require full or partial payment in advance.

If the purchaser delays shipments, 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 make based on the contract price and percent of completion and purchaser shall reimburse the Company for any additional costs resulting from such delay. Products held for the purchaser shall be at the risk and expense of the purchaser.

ATTORNEY FEES:

In the event of any controversy concerning any term or condition contained in this 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 be set by the court or courts in which the matter is tried or heard, including any appeal thereon.

DELIVERY: This apparatus is sold F.O.B. point of shipment.

WARRANTY:

The warranty period for products, sold hereunder shall terminate one year after the completion of installation, or 18 months after the date of shipment, whichever occurs earliest.

The Company warrants that the products supplied hereunder will be free from defects in workmanship and materials. If the purchaser notifies the company of any failure to conform to this warranty within the warranty period and delivers the defective product to the location designated by the company, freight paid, **the Company will correct the nonconformity, at its option, by refunding, repairing or replacing the defective part or parts and delivering the product to the purchaser F.O.B. point of shipment.** Correction of nonconformities or refund of sale price in the manner and for the period of time provided above shall constitute a fulfillment of all liabilities of the Company with respect to or arising out of such products.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR PURPOSE.

LIMITATIONS OF LIABILITY:

The Company 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 the Company 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 or technical direction of 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.

UNLOADING AND DEMURRAGE:

Unless stated otherwise in our quote, it is the customer's responsibility to unload all shipments whether by rail or by truck. All demurrage charges are the customer's responsibility. The Company recognizes that sometimes the size or weight of shipments requires the customers to make prior unloading arrangements. In such cases, the customer shall advise the Company prior to shipment the hours during which shipments can be received and the notice required before delivery. The Company will then reflect these arrangements on the Bill of Lading.

PURCHASER PICKUP:

No allowance will be made in lieu of transportation if the purchaser accepts shipment at the factory, warehouse or freight station. Transportation charges will not be deducted from the selling price.

FORCE MAJUERE LOSS, DAMAGE OR DELAY:

The Company 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, car shortage, wrecks or delay in transportation, inability to obtain necessary labor, materials or manufacturing facilities from usual sources or due to any other cause beyond its reasonable control.

In the event of delay in performance due to any such cause, the date of delivery or time for completion will be postponed by such length of time as may be reasonably necessary to compensate for the delay.

TITLE – RISK OF LOSS:

The product sold shall remain the property of the Company and shall remain personal property until fully paid for in cash, and the purchaser shall perform all acts, which may be necessary to perfect and assure retention of title to such product by the company. Risk of loss of the product, or any part of it, shall pass to the purchaser upon delivery of such equipment or part, F.O.B., point of shipment.

PENALTY OR LIQUIDATED DAMAGES:

Contracts, which include penalty or liquidated damage causes for failure to meet shipping promises, must be specifically accepted by the Company.

APPLICABLE LAW:

These terms and conditions and the legal relations between the purchaser and the Company shall be governed by and in accordance with the laws of the State of Texas.