



Avenida Michael Mangiafico
P.O. Box 427 Puerto Real Industrial Park
Puerto Real, Puerto Rico 00740
☎ 787.863.3085 ☎ 787.863.4200
www.peterpaulelectric.com

SALES ORDER TERMS AND CONDITIONS

1. ENTIRE AGREEMENT:

The terms set forth herein constitute the sole terms and conditions of the contract between BUYER and PETER PAUL ELECTRIC, INC. No other terms, conditions, or understanding, whether oral or written shall be binding upon PETER PAUL ELECTRIC, INC., unless hereafter made in writing and signed by PETER PAUL ELECTRIC, INC.'s authorized representative. This agreement expressly limits acceptance to these terms, no order shall have any force or effect until acknowledged in writing by PETER PAUL ELECTRIC, INC., any proposal for additional or different terms is hereby deemed material and is objected to and rejected. No terms of any document or form submitted by BUYER shall be effective to alter or add to the terms and conditions of this Agreement. Unless otherwise stated herein, BUYER's receipt of any portion of the goods shall constitute acceptance of all terms and conditions of this Agreement.

2. QUOTATIONS AND PRICES:

Unless otherwise stated, all quotations are valid for 30 days, and are in U.S. dollars. PETER PAUL ELECTRIC, INC. reserves the right to correct clerical errors and obvious errors in specifications or prices. All orders are subject to credit approval and orders are deemed accepted only by PETER PAUL ELECTRIC, INC.'s written order acknowledgement. Unless otherwise agreed, prices for parts shall be effective for the period indicated in the order acknowledgement. Subsequent prices for all products may be revised in accordance with actual manufacturing experience and raw material values.

3. TAXES:

Any taxes which, under existing or future law, the PETER PAUL ELECTRIC, INC. may be required to pay or collect with respect to the sale of any of the goods or services to the BUYER, shall be added as a separate item to the quoted price, and shall be paid by the BUYER to the PETER PAUL ELECTRIC, INC. on demand. The foregoing shall not apply to any taxes, for which the BUYER holds a valid exemption certificate. In the event that an exemption which has been claimed by the BUYER is denied by the taxing authorities, the BUYER agrees to reimburse the PETER PAUL ELECTRIC, INC. for any such tax, interest and penalties for which the PETER PAUL ELECTRIC, INC. is liable as a result of the denied exemption.

4. TERMS OF PAYMENT:

Full and final payment shall be due thirty (30) days from the date of each shipping invoice unless otherwise expressly agreed in writing. The date of payment of an invoice is the date on which the check is received at the remittance address indicated on the related invoice(s). Any invoice not paid in 30 days will accrue a late payment charge of the maximum legal rate or 1 1/2% per month (18% per annum), whichever is less. If any delinquent account is placed in the hands of a collection agent or attorney, BUYER will pay reasonable collection charges including attorney's fees.

5. DELIVERIES:

All shipping and delivery dates are estimates and are subject to PETER PAUL ELECTRIC, INC.'s ability to secure the necessary raw materials and the current production schedules of internal or external supplier. In the event of any delay in PETER PAUL ELECTRIC, INC.'s performance due in whole or in part



Avenida Michael Mangiafico
P.O. Box 427 Puerto Real Industrial Park
Puerto Real, Puerto Rico 00740
☎ 787.863.3085 ☎ 787.863.4200
www.peterpaulelectric.com

to any cause beyond PETER PAUL ELECTRIC, INC.'s reasonable control, PETER PAUL ELECTRIC, INC. shall have such additional time for PETER PAUL ELECTRIC, INC.'s performance as may be reasonably necessary under the circumstances. PETER PAUL ELECTRIC, INC. shall not be liable for any claim, loss, expense, or damage of any kind whatsoever for delays in delivery,

6. SUSPENSION OF PERFORMANCE:

If in PETER PAUL ELECTRIC, INC.'s judgment reasonable doubt exists as to BUYER's financial responsibility, or if BUYER is past due in payment of any amount owing to PETER PAUL ELECTRIC, INC., PETER PAUL ELECTRIC, INC. reserves the right, without liability and without prejudice to any other remedies, to suspend performance, require payment in advance, decline to ship, or stop any material in transit, until PETER PAUL ELECTRIC, INC. receives payment of all amounts owing to PETER PAUL ELECTRIC, INC. and/or adequate assurance of such payment.

7. SHIPMENTS; INSPECTION:

FOB, Fajardo, PR. (Freight collect) BUYER will be charged for any special packaging required. BUYER shall inspect all goods promptly upon receipt and shall make any claims within fifteen (15) days after receipt, including detailed written information as to any damage or shortage.

8. LIMITED WARRANTY:

a. PETER PAUL ELECTRIC, INC. expressly warrants that the goods will conform to the descriptions and specifications, subject to the tolerances and variances established herein, to a period of one year from the date of shipment. This is PETER PAUL ELECTRIC, INC.'s sole warranty. PETER PAUL ELECTRIC, INC. MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES WHATSOEVER WITH RESPECT TO ANY GOODS, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. No representative or person is authorized to assume for the PETER PAUL ELECTRIC, INC. any other obligation or liability in connection with the sale of its products.

b. If BUYER notifies PETER PAUL ELECTRIC, INC. in writing within the warranty period of a defect in material or workmanship in any goods or part thereof sold hereunder, and if PETER PAUL ELECTRIC, INC. determines, after appropriate tests and inspection by PETER PAUL ELECTRIC, INC., that such goods or part thereof are not in conformity with the warranty given hereunder, PETER PAUL ELECTRIC, INC. will repair or replace, at its sole option, F.O.B. point of manufacture, the defective goods or part, provided BUYER returns such goods or part to PETER PAUL ELECTRIC, INC.'s plant, freight prepaid. No Goods

or part shall be returned without PETER PAUL ELECTRIC, INC.'s prior approval. This shall be BUYER's exclusive remedy for PETER PAUL ELECTRIC, INC.'s liability hereunder. Any claims not made within the warranty period are deemed waived by BUYER. In lieu of repairing or replacing the defective goods or part, PETER PAUL ELECTRIC, INC. shall have the right, at its sole option, to refund the purchase price therefore.

c. BUYER's exclusive remedy for breach of contract as to any goods, and PETER PAUL ELECTRIC, INC.'s only liability for any such breach, shall be replacement or repair of such goods or repayment to BUYER of the purchase price paid by BUYER for such goods, whichever PETER PAUL ELECTRIC, INC. shall



Avenida Michael Mangiafico
P.O. Box 427 Puerto Real Industrial Park
Puerto Real, Puerto Rico 00740
☎ 787.863.3085 ☎ 787.863.4200
www.peterpaulectric.com

select. If PETER PAUL ELECTRIC, INC. so requests, BUYER shall promptly return such goods to PETER PAUL ELECTRIC, INC. IN NO EVENT WILL PETER PAUL ELECTRIC, INC. BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES INCURRED BY BUYER OR BY THIRD PARTIES, INCLUDING BUYER'S BUYERS.

9. TOOLS, DIES AND FIXTURES:

Unless otherwise expressly provided, any engineering, tools, dies or fixtures which may be developed for use in the production of the goods covered shall be owned by PETER PAUL ELECTRIC, INC. even though BUYER is charged in whole or part for the cost of such engineering, tools, dies and fixtures. The PETER PAUL ELECTRIC, INC. may make other use or dispose of any such tools, dies and fixtures if more than three (3) years have elapsed since the BUYER placed an order requiring their use.

10. INDEMNIFICATION:

If any of the goods are to be manufactured or sold to BUYER's specification or design, BUYER agrees to indemnify PETER PAUL ELECTRIC, INC. against all liabilities and expenses resulting from any claim of infringement of any patent, trademark or other right in connection with goods. BUYER also agrees to defend and indemnify PETER PAUL ELECTRIC, INC. against all claims and expenses arising out of any mishandling, abuse or misuse of the goods by BUYER or BUYER's CUSTOMER.

11. CANCELLATION:

An order may be canceled or modified only by written agreement approved by both parties except as otherwise provided. If BUYER cancels or suspends fabrication or shipment, causes any delay in shipment, or fails to furnish specifications when required. PETER PAUL ELECTRIC, INC. may treat such act as a breach of this contract by BUYER, and PETER PAUL ELECTRIC, INC. may cancel any unshipped balance without prejudice to any other remedies PETER PAUL ELECTRIC, INC. may have. In the event of cancellation, cancellation charges, shall include all costs (including engineering and overhead) incurred by PETER PAUL ELECTRIC, INC. to the date of cancellation, plus a reasonable profit.

12. FORCE MAJEURE:

PETER PAUL ELECTRIC, INC. shall not be liable for delay or failure of performance hereunder due to any contingency beyond PETER PAUL ELECTRIC, INC.'s reasonable control, including without limitation: an act of God, war, civil commotion, sabotage, labor dispute, explosion, fire, accident, power or equipment failure, inability to obtain suitable or sufficient labor, fuel, power, or materials, delay of carrier, embargo, or any law, ordinance, rule, or regulation, whether valid or invalid, including but not limited to priority, requisition, allocation, or price control.

13. APPLICABLE LAW; LIMITATION ON ACTIONS:

The construction, performance and completion of this Agreement shall be governed by the laws of the Commonwealth of Puerto Rico. Any action for breach of this agreement must be commenced within one year after the breach, and no such action may be maintained which is not commenced within such period.