

ALL QUOTATIONS, ACKNOWLEDGEMENTS AND/OR INVOICES FOR EQUIPMENT AND SERVICES ARE SUBJECT TO THE EXACT TERMS AND CONDITIONS APPEARING ON THE FACE AND REVERSE SIDE HEREOF AND THE TERMS AND CONDITIONS THAT APPEAR IN SELLER'S CURRENT CATALOG WHICH RELATE TO THAT EQUIPMENT AND SERVICES.

IMPORTANT: NO RETURNS ACCEPTED WITHOUT OUR AUTHORIZATION AND SHIPPING INSTRUCTIONS.

1. IF LOSS AND/OR DAMAGE IS DISCOVERED, DEMAND AN INSPECTION REPORT IMMEDIATELY, REGARDLESS OF YOUR OPINION AS TO THE CAUSE.
2. ARRANGE PROMPTLY TO FILE CLAIM AGAINST THE CARRIER.

General: These Terms and Conditions of Sale shall apply to all sales of equipment and services by Pennsylvania Transformer Technology, LLC, a corporation of the State of Delaware. As used herein, "Seller", "we," "our" shall refer to Pennsylvania Transformer Technology, LLC

Offer and Acceptance: Seller's quotation or acknowledgement constitutes Seller's offer to sell solely in accordance with the exact terms hereof, and supersedes all previous written and oral quotations, representations and/or agreements. Acceptance can be made by any commercially reasonable means, including Buyer's issuance of an order, acceptance of equipment sold or services provided hereunder, acknowledgement or return of Seller's acknowledgement form, or by electronic transmission. Acceptance hereof by Buyer is expressly limited to the exact terms hereof. If Buyer shall use its own purchase order or other form to order from Seller, such form shall be used for convenience only and shall evidence Buyer's unconditional agreement to these terms and conditions. Any inconsistent or additional terms or conditions contained therein are expressly objected to by Seller. Quotations must be accepted within thirty (30) days from date of quotation. Prices quoted may be withdrawn or changed by Seller at any time prior to receipt of acceptance by Seller. All orders are subject to Government Priorities.

Modifications: No salesman or other party is authorized to bind Seller by any agreement, warranty, statement, promise, or understanding not contained herein, and no modifications of these terms and conditions shall be binding on Seller unless the same are approved in writing by an Executive Officer, Product Marketing Manager, or Service Manager of Seller.

Waiver: The waiver by Seller of any term, provision, or condition hereof shall not constitute a waiver of any other term, provision, or condition hereof, nor shall such waiver be deemed a waiver of a subsequent breach of the same term or condition.

Discrepancies in Take-Offs: Seller's quotation may be based on Seller's interpretation of plans and specifications submitted to Seller by Buyer.

In such situations, Buyer shall review Seller's quotation both as to quantities and specifications of material listed. Any discrepancies should be called to Seller's attention immediately, so any change, if necessary, can be made. Seller shall not be liable to Buyer for any damage resulting from any discrepancies which Buyer fails to call to Seller's attention.

Corrections After Acceptance: After acceptance by Buyer, quotations are subject to change by Seller for correction of stenographic or clerical errors. Seller shall immediately notify Buyer of any such corrections, and Buyer may thereafter revoke acceptance within ten (10) days of receipt of notice of such corrections. Failure of Buyer to revoke its acceptance within such period shall constitute acceptance of Seller's changes.

Changes in Specifications: If Buyer desires changes or revisions in specifications upon [which] Seller's quotation is based, such changes or revisions shall be charged to and paid for by Buyer at Seller's applicable rates therefor, and the time for performance on the part of the Seller shall be extended to cover time lost and/or additional work involved and time required for making any such requested changes and/or revisions.

Terms of Payment: Net -- Thirty (30) days from the date of invoice. All accounts are payable in U.S.A. funds at par. Any invoices not paid when due shall be subject to a late charge at the rate of 1-1/2% per month or the highest rate allowable by law, if lower. Should it be necessary for Seller to institute formal proceedings to collect any past due amounts from Buyer, Seller shall be entitled to recover its attorney's fees and other costs associated with the proceedings.

If shipment is delayed by any cause for which Seller is not responsible or which is beyond Seller's reasonable control, the date of completion of the equipment, or any part thereof, shall be regarded as the date of shipment thereof, and an invoice will be issued accordingly. Equipment held for Buyer shall be at Buyer's risk and expense.

Seller's acceptance of orders and shipments and delivery shall be subject to approval of Seller's Credit Department. If, in the sole judgment of Seller, the financial condition of Buyer at time prior to delivery does not justify the continuance of work to be performed by Seller hereunder on the terms of payment agreed upon, Seller may require full or partial payment in advance or cancel any order then outstanding and receive reimbursement for Seller's reasonable and proper cancellation charges. Title to and right to possession of (but not risk of loss to) any material sold hereunder remains in Seller and remains personal property until all payments therefore are made in full by Buyer, and the Buyer agrees to do all acts necessary to protect such right and title. In the event of bankruptcy or insolvency of Buyer, or in the event any proceeding is brought by or against Buyer under any bankruptcy or insolvency laws, Seller shall be entitled to cancel any order then outstanding at any time during the period allowed for filing claims against the estate, and Seller shall receive reimbursement for its reasonable and proper cancellation charges. The rights of Seller under this paragraph are cumulative and in addition to all rights available to the Seller at law or in equity. Any and all destination demurrage charges and detention or unloading are Buyer's responsibility.

Delivery and Risk of Loss: Unless otherwise specifically stated herein, delivery and prices are f.o.b. Seller's shipping point. Buyer shall assume all risk of loss and damage in transit and shall be liable for costs such as demurrage or detention after equipment has left our loading dock or area.

Taxes: Seller's prices do not include sales, use, excise, or other taxes applicable to the equipment or the sale or use thereof. All such taxes, if any, shall be paid by Buyer and may be added to the invoice, or in lieu thereof, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.

Shipment/Force Majeure: Shipment dates are computed from the date Seller receives acceptance with complete specifications and/or drawing approvals as required. Shipping dates are approximate. Seller will take all reasonable action or maintain the shipping dates given herein, but Seller shall not be liable for delays in delivery or in performance or failure to manufacture or deliver due to causes beyond Seller's reasonable control including, without limitation, acts of God, acts of Buyer, acts of civil or military authority, priorities, fires, strikes, or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages, energy shortages or inability to obtain necessary labor, materials, components or manufacturing facilities. In the event of such delay, the date of delivery or performance shall be extended for a period equal to the time lost by reason of the delay. Each shipment shall constitute a separate sale, and Buyer's failure to take one or more deliveries shall not constitute cause for cancellation by Buyer. If Buyer is in default of any payments to Seller on this or any other contract, Seller may withhold shipment on this and any other contract.

Inspection, Acceptance: Quotations and acceptances are made on the basis that where Buyer is to inspect, inspection and acceptance of equipment shall be made at Seller's factory prior to shipment.

Limited Warranty: Seller warrants to Buyer only, that the goods delivered hereunder will be free from defects in material or workmanship when used and installed in accordance with the Seller's applicable operating instructions and will be the kind and quality specified in the contract.

This warranty shall apply only to defects appearing within one (1) year from date of shipment by Seller. If Seller installs the equipment or supplies technical direction of installation by contract, the warranty shall be for a period of one (1) year from date of completion of field erection but not exceeding eighteen (18) months from date of shipment. The furnishing of warranty services hereunder shall not extend the warranty period on the equipment furnished hereunder.

Seller shall, in complete fulfillment of its liabilities under this warranty and if given prompt notice by Buyer, correct, by repair or replacement at Seller's option, f.o.b. its factory, any defect which shall appear under proper and normal use of its equipment within one (1) year after date of shipment or within one (1) year after the completion of field erection of the equipment if Seller install the equipment or supplies technical direction of installation by contract, but not exceeding eighteen (18) months from date of shipment. Unless otherwise agreed to in contract with Buyer, Seller shall not be liable for costs of equipment removal, costs for transporting repaired equipment or replacement equipment to site and reinstalling equipment.

The liability of Seller under this warranty (except as to title), or for any loss or damage to equipment, whether the claim is based in contract, in tort (including negligence and strict liability), or otherwise, shall not exceed the cost of correcting defects in the equipment as herein provided, and upon the expiration of the warranty period, all of Seller's liability shall terminate. The foregoing shall constitute the exclusive remedy of Buyer and the exclusive liability of Seller except as may be noted below.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, OR STATUTORY (EXCEPT AS TO TITLE). SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE. FURTHER, SELLER DOES NOT WARRANT ANY EQUIPMENT OF OTHER MANUFACTURERS DESIGNATED BY BUYER.

Supervision of Installation: Unless otherwise provided for by agreement between Seller and Buyer, Seller will neither install nor supervise the installation of the equipment, but the same shall be done by and at the expense of Buyer.

Tests: The conditions of any test of any equipment shall be mutually agreed upon by Seller and Buyer, and Seller shall be notified of, and may be represented at, all tests that may be done.

Protection Against Infringement: In the event any equipment manufactured by Seller is to be made in accordance with drawings, samples, or manufacturing specifications designated by Buyer, Buyer agrees to indemnify and hold Seller harmless from any and all damages, costs and expenses (including attorney's fees) relating to any claim arising from the design, distribution, manufacture or use of the equipment or arising from a claim that such equipment furnished to Buyer by Seller, or the use thereof, infringes any letters patent, foreign or domestic, and Buyer agrees at its own expense to undertake the defense of any suit against Seller brought upon such claim or claims.

In the event any equipment is not to be made in accordance with drawings, samples, or manufacturing specifications designated by Buyer, but rather is the design of Seller, and the equipment has not been modified by Buyer or its customers, Seller agrees to hold Buyer and its customers

harmless against any damages awarded by a court of final jurisdiction in any suit or suits for the infringement of any United States letters patent by reason of the sale or use of such equipment furnished by Seller under this agreement, provided that Seller is notified promptly in writing of any claim or suit and is permitted to assume the full direction and control of the defense against such a claim and of any suit brought thereon and is given authority, information and assistance by Buyer (at Seller's expense) for such defense and authority to settle. In case any judgment rendered in such suit shall become final (beyond right of appeal), and where Buyer has complied with the foregoing provisions of this paragraph to Seller's satisfaction, Seller agrees to pay all damages and costs thereby awarded against Buyer. If, subject to the above limitations, Seller agrees to a settlement or compromise preventing, or is otherwise enjoined from, further manufacture, use or sale of the equipment, or any part thereof in a suit in which the equipment, or any part thereof, is finally held to constitute an infringement, Seller shall have the right at its own expense either (a) to procure for the Buyer rights to the patent, or (b) to modify or replace said equipment with non-infringing equipment accomplishing the same purposes as the replaced equipment, or (c) to withdraw such equipment and refund to the Buyer the purchase price thereof, Buyer's remedies for damages resulting from the infringement or claimed infringement of any patent by the equipment are exclusively limited to the provisions of this paragraph.

Exclusivity of Remedy and Limitation of Liability: Seller's liability for any claim of any kind (except "Protection Against Infringement"), whether in contract or in tort (including negligence and strict liability) shall not exceed the purchase price of equipment or services furnished, or the portion thereof which gives rise to the claim. In the event that Buyer claims that Seller has breached any of its obligations with respect to the equipment, Seller may request the return of the equipment and tender to Buyer the purchase price paid therefor by Buyer and [in] such event, Seller shall have no further obligation under the contract with Buyer except to refund such purchase price upon redelivery of the equipment. If Seller so requests the return of the equipment, the equipment shall be redelivered to Seller in accordance with the Seller's instructions at Seller's expense. THE REMEDIES PROVIDED

FOR IN THIS SECTION AND THE SECTION ENTITLED "LIMITED WARRANTY" SHALL CONSTITUTE THE SOLE RECOURSE OF BUYER AGAINST SELLER FOR BREACH OF ANY OF SELLER'S OBLIGATIONS UNDER THE CONTRACT WITH BUYER, WHETHER THE CLAIM IS MADE IN TORT OR IN CONTRACT, INCLUDING CLAIMS BASED ON WARRANTY, NEGLIGENCE, STRICT LIABILITY, DECEIT, FRAUD, MISREPRESENTATION, OR OTHERWISE. THIS CLAUSE SHALL SURVIVE FAILURE OF AN EXCLUSIVE REMEDY.

IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) AND INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF USE OF EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, IN AND OUT COSTS, OR CLAIMS OF CUSTOMERS OF BUYER FOR SUCH DAMAGES. ANY ACTION AGAINST SELLER UNDER THIS CONTRACT MUST BE COMMENCED WITHIN ONE (1) YEAR OF ACCRUAL OF THE CAUSE OF ACTION.

Special Containers: In the event Seller furnishes material requiring containers (such as oil barrels, drums, reels, etc.) or tarpaulins or other special covering, an extra charge will be made for such containers or coverings, and Buyer shall pay the amount thereof, but if specifically agreed upon at the time of purchase, Seller will refund such amount if Buyer returns such containers and/or coverings, in good condition, at Buyer's expense, charges prepaid by Buyer, within four months from the original shipment date, to the proper receiving point designated by Seller, and Buyer promptly forwards an invoice or memorandum and necessary shipping documents to Seller.

Assignment: Buyer shall not assign this contract, or any rights therein, without the written consent of Seller.

Other Laws: Any clause required to be included in a contract of this type by any applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein. Seller represents that with respect to the production of the articles and/or the performance of the services covered hereunder; it has fully complied with Section 12(A) of the Fair Labor Standards Act of 1938 as amended. Acceptance and execution of orders accepted by reason of any law or administrative regulation having the effect of law, or in order to carry out the intent or purpose of any such law or regulation or to acquiesce in a request by a government agency or official thereof, or contingent upon the continuation in effect of such law, regulation or request, may be cancelled by Seller upon the expiration or withdrawal of such law, regulation or request, provided, however, that Seller, at its option, may complete such order.

Cancellation: Buyer's acceptance of Seller's offer may, upon fifteen (15) days notice in writing, be cancelled by Buyer, in whole or in part, but in no event any later than ninety (90) days prior to the date scheduled for shipment of the particular equipment for which cancellation is desired, and only upon the written consent of Seller and upon terms providing for payment to Seller of a cancellation charge satisfactory to it which shall take into proper account the work already done, facilities and material acquired, and/or commitments made by Seller, together with Seller's lost profits. Cancellation policies may also vary by specific product lines or types of equipment. Buyer should refer to those policies, as applicable.

Seller may cancel this contract with Buyer if Buyer's payments are in default hereunder or on any other contract with Seller, if Buyer breaches any other material provision of this contract, or if substantial changes occur in the availability to Seller of raw materials or components.

Returned Material: Material returned for credit or replacement will be accepted by Seller only if a written return authorization and related instructions have previously been obtained by Buyer from Seller's manufacturing location. Only standard products of current design, regularly carried in Seller's stock, and in saleable condition will be accepted for credit.

Penalty or Liquidated Damages/Premiums for Early Shipment: Orders from Buyer which include a penalty or liquidated damage clause will not be honored by Seller unless Seller has specifically accepted the clause in writing. In appropriate cases, Seller may request from Buyer a price premium for shipments made prior to Buyer's requested shipping date.

Governing Law: All matters relating to the interpretation and effect of these Terms and Conditions of Sale and any authorized changes, modifications or amendments thereto shall be governed by the laws of the Commonwealth of Pennsylvania.

Complete Agreement: The complete agreement between Seller and Buyer is contained herein and in the applicable terms and conditions that appear in the Seller's current catalog, and no additional or different terms or conditions stated by Buyer shall be binding upon Seller unless agreed to in writing. No course of dealing or usage of trade shall be relevant to supplement or explain any terms used in this agreement.