

**INTEGRATED POWER SERVICES LLC  
STANDARD TERMS AND CONDITIONS OF SALE  
REPAIR, PARTS, MODIFICATION, MAINTENANCE, INSPECTION, TEST, RENTAL SERVICE**

## 1. ACCEPTANCE

All orders are subject to acceptance by Integrated Power Services LLC ("Seller"). Any acceptance by Seller of Buyer's order is expressly made conditional on Buyer's assent to any additional or different terms and conditions contained herein, and all sales and charges of the products listed herein shall be, in the case of conflict between the terms and conditions of Buyer and Seller, interpreted and governed exclusively by the terms and conditions contained herein. Seller shall not be bound by any terms and conditions proposed by Buyer, whether in its purchase order or otherwise, which are additional to or different from the terms and conditions set forth herein, unless and only if accepted in writing by a principal officer of the Seller or his designated representative.

## 2. TAXES

The Seller's prices do not include any applicable sales, use, excise, value added or similar taxes; and the amount of any such tax which the Seller may be required to pay or collect will be added to each invoice unless the Buyer has furnished the Seller with a valid tax exemption certificate acceptable to the taxing authorities.

Where a Buyer fails to furnish the required documentation, the previously unpaid sales, use, excise, or similar tax will be billed to the Buyer.

If, upon subsequent sales, use, excise, or similar tax audit, an exemption certificate provided to the Seller by Buyer is, through no fault of the Seller, determined to be invalid, the Seller will attempt to acquire a valid exemption certificate, notarized affidavit of exempt use, or other necessary documentation from Buyer. If Buyer fails to timely furnish a valid exemption certificate, notarized affidavit or other necessary documentation, the previously unpaid sales, use or similar excise tax will be billed to Buyer.

## 3. TERMS

Terms are cash net 30 days. Amounts past due are subject to a service charge of 1 and 1/2 percent per month (or fraction thereof) or maximum contract rate permitted by law. If the Seller deems that by reason of the financial condition of the Buyer or otherwise, the continuance of any services or shipment on the terms specified herein is not justified, the Seller may require full or partial payment in advance. The Seller at its option may retain possession of equipment repaired, modified, inspected, tested, maintained or serviced under this agreement until its charges for services are paid. If such charges are not paid within 90 days following completion of the work and the invoicing to the Buyer, the Seller may upon not less than 7 days written notice by certified mail to the Buyer at the Buyer's last known address sell the equipment at public or private sale and apply the net proceeds to the Seller charge.

## 4. PRICE POLICY

Prices shall be subject to adjustment to those in effect at time of shipment.

## 5. DELIVERY

Shipping dates given by the Seller are approximate and are based on prompt receipt of information, equipment, or access to the equipment at the customer's premise if work is performed on said premise.

Rental equipment delivery dates quoted are based on availability of stock at the time of quotation and are subject to prior rentals.

The Seller will use its reasonable efforts to meet the scheduled dates, however, it cannot be held responsible for its failure to do so for causes beyond its reasonable control and in no event shall it be liable for any loss or damage resulting from its failure to deliver the services within the time specified herein.

## 6. SHIPPING/HANDLING CHARGES

Shipments are F.O.B. point of shipment. Shipping/handling will be prepaid and billed as a separate item on the equipment invoice on the basis of Seller's current shipping/handling policies.

## 7. CHANGES

Buyer may with the express written consent of the Seller make changes in the specifications for equipment, services or work covered by the contract in such event the contract price and delivery dates shall be equitably adjusted. The Seller shall be entitled to payment for reasonable profit plus costs and expenses incurred by it for services, work and materials rendered unnecessary as a result of such changes and for work and materials required to effect said changes.

## 8. CANCELLATION

Undelivered parts of any order may be canceled by the Buyer only with the written approval of the Seller. If the Buyer makes an assignment for the benefit of creditors, if a voluntary or involuntary petition or action in bankruptcy or for reorganization or under any other insolvency law shall be filed by or against the buyer, if the Buyer shall admit its inability to pay its debts, if a trustee, receiver or liquidator is appointed for any part of the assets of the Buyer, or if the Buyer fails to make payments to the Seller in accordance with the terms hereof, the Seller may at its option cancel all undelivered parts or any order by written notice to the Buyer.

In the event of any cancellation of this order by either party, the Buyer shall pay the Seller the reasonable cost and expense, including engineering expense and all commitments to its suppliers and subcontractors, incurred by the Seller prior to receipt of notice of such cancellation, plus the Seller's usual rate of profit for similar work.

## 9. ELECTRONIC DATA INTERCHANGE/FACSIMILE (FAX)

Orders placed hereunder by Buyer may be transmitted electronically or via FAX and in such event, such orders shall be subject to the terms and conditions contained in Seller's Electronic Data Interchange Agreement, in addition to the terms and conditions contained herein.

## 10. REGULATORY LAWS AND STANDARDS

The Seller makes no promise or representation that its product, services or work will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed upon for compliance in writing as part of the quotation or contract between Buyer and Seller. The Seller prices do not include the cost of any related inspections or permits or inspection fees.

## 11. EXPORT CONTROL

Products and associated materials supplied or licensed under this agreement may be subject to various export laws and regulations. It is the responsibility of the exporter to comply with all such laws and regulations.

## 12. WARRANTY

### A. WARRANTY PERIOD

All repair, inspection, test, rental service, modification or maintenance sold or serviced by the Seller is warranted to be free from defects of material and workmanship and to conform to any applicable drawings, specifications, or written documents approved by the Seller for a period of time as detailed below:

1. Reconditioned: 90 days from date of shipment.
2. Recondition and standard rewind: 1 year in service or 18 months from date of shipment, whichever occurs first.
3. Recondition and Enduralok rewind: The winding is warranted for 3 years from date of shipment.
4. Recondition and Enduraseal rewind: The winding is warranted for 5 years from date of shipment.
5. Recondition and Megaseal rewind: The winding is warranted for 5 years from date of shipment.
6. New Product Sales: 1 year in service or 18 months from date of shipment, whichever occurs first.

The above warranties shall be based on such equipment operating with competent supervision under normal load, usage and conditions.

### B. WARRANTY - REPAIR, MODIFICATION, REBUILD

If within the period specified above, the Seller receives from the Buyer written notice of any alleged defect or non-conformity and if the services provided are found not to be in conformity with this warranty (the Buyer having provided the Seller reasonable opportunity to perform any appropriate test thereon) the Seller will, at its option, correct such nonconformity or supply a replacement thereof. This warranty shall only apply to parts repaired or replaced by the Seller. No separate warranty shall apply to repaired apparatus as a whole or to parts not repaired or replaced by the Seller. The Seller shall have the right to require the Buyer to deliver any apparatus covered by this warranty to a designated service center and the Buyer shall pay both in-bound and out-bound transportation charges, accepting only the direct and actual cost of apparatus repair or replacement as provided above.

## C. WARRANTY - RENTALS

The Seller warrants to the Buyer that the rental equipment when delivered is in good operating condition and if the Buyer advises the Seller upon receipt of said equipment that the equipment does not function properly, the Seller will at its option either repair the equipment or supply a replacement therefor subject to availability. The Buyer will be liable for any damage or reconditioning cost upon completion of the rental period.

## D. PARTS WARRANTY

If any part provided by the Seller shall prove defective in material and/or workmanship within the one (1) year from the date of shipment, Buyer shall immediately thereupon notify the Seller in writing of such defect. The Seller shall, at its option, modify, repair, supply a replacement part or refund the purchase price of said part. The Seller shall have the option to have the part returned to it, F.O.B. its factory, or to make such adjustment at the point of installation. The Seller shall invoice for all travel and labor involved. The Seller shall accept no responsibility if such part has been improperly operated or maintained or if Buyer has permitted any unauthorized modifications, adjustments and/or repairs to the part. Parts not manufactured by the Seller shall be covered by the warranty of the manufacturer or supplier thereof.

## E. WARRANTY - INSPECTION, TEST, MAINTENANCE, CALIBRATION, CONSULTATION

The Seller warrants that these services will be provided in accordance with accepted industry practice. If any service fails to meet the foregoing warranty, the Seller shall duplicate the service to the same extent and on the same conditions as the original service rendered.

## F. REMANUFACTURED EQUIPMENT/COMPONENTS

All equipment components remanufactured by Seller will be warranted for a period of one (1) year from date of shipment. Repair of electronic boards - non-Reliance will be warranted for a period of six (6) months from date of shipment.

## G. EXCLUSIVE WARRANTY

THESE WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES, INCLUDING WITHOUT LIMITATIONS, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL THE SELLER BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS DAMAGE OR EXPENSE OF ANY KIND, INCLUDING LOSS OF PROFITS ARISING IN CONNECTION WITH THIS AGREEMENT OR WITH THE USE OF OR INABILITY TO USE THE SERVICES FURNISHED UNDER THIS AGREEMENT. THE SELLER DOES NOT WARRANT THE DESIGN OF ANY EQUIPMENT, MATERIAL, COMPONENTS OR SERVICES OF OTHERS.

## 13. INDEMNITY

The Seller agrees to indemnify the Buyer and hold it harmless from and against any loss actually suffered directly from injury (including death) to any person or damage to any property caused by the gross negligence of the Seller in the performance of any work hereunder on the premises of Buyer.

## 14. PATENT INFRINGEMENT

The Seller shall defend any suit or proceeding brought against the Buyer so far as the same is based on a claim that any apparatus of the Seller's design furnished hereunder or any part thereof, constitutes an infringement of any United States patents, if notified promptly in writing and given authority, information and assistance (at the Seller's expense) for the defense of the same and if such alleged infringement is not the result of a design or other special requirement specified by the Buyer as the -result of the application or the use to which such apparatus is put by the Buyer or others. The Seller will pay all damages and costs awarded in such suit or proceeding against the Buyer. In case such apparatus or part is in such suit held to infringe any such patent and the use thereof is enjoined, the Seller shall at its expense either, at its option, (a) obtain for the Buyer the right to continue using such apparatus or part, or, (b) replace the same with non-infringing apparatus, or (c) modify the same so that it becomes non-infringing, or (d) remove said apparatus and refund the purchase price and the transportation and installation costs thereof.

The foregoing states the entire liability of the Seller to the Buyer for patent infringement.

## 15. TITLE

All scrap resulting from the work shall be the property of the Seller, and title to all rental equipment shall remain with the Seller. The title and right of possession of equipment repaired, modified, inspected, tested or maintained under this contract shall remain with the Buyer, subject to any applicable lien rights of the Seller and to its right of safe in the event of non-payment as provided herein.

## 16. DISCLAIMER OF DAMAGES

IN NO EVENT SHALL SELLER BE LIABLE FOR ANYTYPE OF SPECIAL, CONSEQUENTIAL, INCIDENTAL OR PENAL DAMAGES, WHETHER SUCH DAMAGES ARISE OUT OF OR ARE A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. Such damages shall include but not be limited to loss of profits or revenues, loss of use of the equipment or associated equipment, cost of substitute equipment, facilities, down time costs, increased construction costs or claims of Buyer's customers or contractors for such damages. Buyer agrees that in the event of a transfer, assignment, or lease of the equipment sold hereunder that Buyer shall secure for the Seller the protection afforded to it in this paragraph.

## 17. LIMITATION OF LIABILITY

The Seller shall not be liable for any loss, claim, expense or damage caused by, contributed to by or arising out of the acts or omissions of Buyer or third parties, whether negligent or otherwise. In no event shall the Seller's liability for any cause of action whatsoever exceed the cost of the item giving rise to the claim, whether based in contract, warranty, indemnity, or tort (including negligence). Any suit arising hereunder must be commenced within one (1) year from the date the cause of action accrues. Except as provided in Article Indemnity, the Seller shall not indemnify any party.

## 18. NO RESPONSIBILITY FOR GRATUITOUS INFORMATION OR ASSISTANCE

If Seller provides Buyer with assistance or advice which concerns any parts/products/service supplied hereunder or any system or equipment in which any such part/product/service may be installed and which is not required pursuant hereto, the furnishing of such assistance or advice shall not subject Seller to any liability, whether based in contract, warranty, tort (including negligence) or otherwise.

## 19. INTERPRETATION

Should any term or provision contained in the contract contravene or be invalid under applicable law, the contract shall not fail by reason thereof but shall be construed in the same manner as if such term or provision had not appeared therein. All transactions covered by these terms and conditions shall be governed by the laws of the state of Delaware. This contract is not assignable by any party hereto; provided, however, that Seller may assign this contract to any purchaser of all or substantially all of Seller's business, whether by stock or asset sale, merger or any other similar transaction.