



Westinghouse Electric Corporation
Apparatus Service Division
Phoenix Apparatus Service Plant
Phoenix, AZ 85036

49-700 S W E A
Selling Policy

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Inerteen Filled® Transformers	5-500 KVA
Capacitor Bank Transformers	.5-1.5 KVA
Constant Current Transformers	10-50 KW

Phoenix Manufactured Products

Conditions of Sale

Westinghouse hereby gives notice of its objection to any different or additional conditions except for any such conditions as may be expressly accepted by it in writing.

Prices

There are no published prices. All equipment individually negotiated. Prices, policies and conditions of sale are subject to change without notice.

Price Policy

Effective February 18, 1974
(PP 10) Prices are firm.

Prices quoted are firm for ninety days from the date of order. If shipment of manufactured equipment extends beyond 90 days from the date of order, the prices will be those in effect at the time of such shipment; however, increases will not exceed 1% of the unpaid balance per month from the date of the order.

Quotations for all services, unless renewed or otherwise stated, expire thirty days from the date of quotation.

Taxes

The price does 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 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 Westinghouse or Westinghouse subcontractors or suppliers are required to pay.

Terms of Payment

Payment is due upon receipt of invoice.

U.S. Government

Terms of payment vary depending upon the agency involved, but it is generally understood that the U.S. Government will pay promptly upon receipt of invoice.

Payments

Westinghouse shall have the right to require full or partial payment in advance at any time if, in its opinion, the financial condition of the Purchaser does not justify the terms of payment specified.

If work is delayed by the Purchaser, Westinghouse may also require payment for all materials accumulated and work performed on this order.

Delivery

F.O.B.-P/S-Frt./Ppd. and Allowed. This product is delivered free on board, point of shipment, freight prepaid to the accessible common carrier point nearest to the first destination, and absorbed in the price.

Freight prepaid is defined as:

Area A — shipments to destinations within the United States except Alaska and Hawaii: to the accessible common carrier point nearest to the first destination but within the confines of the United States except Alaska and the Hawaiian Islands.

Area B — shipments to destinations other than Area A: to the accessible common carrier point nearest to the point of departure from Area A.

F.O.B. destination delivery terms must be negotiated as an extra cost, prior to order acceptance.

Cartage (store door) Delivery: Transportation charges incurred from the nearest accessible common carrier point to final destination (or to shipside or plane side in the case of shipments to U.S. possessions) are the responsibility of the Purchaser unless the common carrier furnishes store door delivery at no extra charge.

Transportation charges on local shipments from warehouses will be borne by Westinghouse to the same extent as the common carrier furnishes store door delivery at no extra charge.

Origin, Method of Shipment and Routing

Origin, Method of Shipment, and Routing: Westinghouse will determine the point of origin of shipment, the method of transportation, and the routing of shipment. Purchasers requiring shipment by a method of routing other than that of Westinghouse selection will be billed any excess or premium in transportation charges. For example, in case the Purchaser requests AIR EXPRESS shipments, Westinghouse will absorb only an amount equal to the charges of the normally selected common carrier. If the actual transportation charges on these shipments are less than such common carrier charges, Westinghouse will absorb only the actual charges. If Westinghouse elects to ship by other than common carrier, the full transportation charges will be prepaid. In no case will Westinghouse absorb transportation charges in excess of the actual amount received by the carrier for its services.

Purchaser Pick-Up

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

U.S. Government

U.S. Government: When U.S. Government specifications require a government bill of lading, quotation will be F.O.B. point of shipment, freight not allowed.

Concealed Damage

Concealed Damage: Except in the case of F.O.B. destination shipments, Westinghouse will not participate in any settlement of claims for concealed damage. When shipment has been made under an F.O.B. destination basis, Purchaser must unpack immediately and, if damage is discovered, must:

1. Not move product from point of examination.
2. Retain shipping container and packing material.
3. Notify carrier's agent to make inspection.
4. Send Westinghouse copy of carrier's inspection report.

Warranty

Westinghouse warrants that the product sold by it will, upon shipment, be free of defects in workmanship or material. Should any failure to conform to this warranty become apparent during a period of one year after the date of shipment, Westinghouse shall, upon prompt written notice from the Purchaser, correct such non-conformity by repair or replacement F.O.B. factory of the defective part or parts. Correction in the manner provided above shall constitute a fulfillment of all liabilities of Westinghouse with respect to the quality of the products.

Should it be necessary to return products which do not conform to this warranty within the warranty period, after obtaining approval from Westinghouse to return the product, the Purchaser shall ship the questionable unit to Westinghouse F.O.B. destination, freight prepaid. Westinghouse will correct the non-conformity, at its option, by repairing or replacing the defective part or parts, and ship the product back to the Purchaser F.O.B. point of shipment, with freight prepaid to the accessible common carrier.

point nearest the destination designated by the Purchaser unless the destination is outside the continental U.S. (including Alaska and Hawaii), in which event shipment will be made F.O.B. point of shipment, with freight prepaid to the U.S. port of Westinghouse choice. The Purchaser shall be responsible for shipment of the returned product from such U.S. port to final destination.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY WHETHER WRITTEN, ORAL, OR IMPLIED (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE).

The remedy(ies) provided above shall be Purchaser's sole remedy(ies) for any failure of Westinghouse to comply with the warranty provision, whether claims by the Purchaser are based in contract or in tort (including negligence).

Limitation of Liability

Westinghouse, its subcontractors and sub-suppliers of any tier, shall not be liable in contract or in tort (including negligence) for loss of profits or revenue, loss of use of equipment or plant, cost of capital, cost of purchased or replacement power, claims of customers of the Purchaser, or for any special, indirect, incidental, or consequential damages. The remedies of the Purchaser set forth herein are exclusive, and the liability of Westinghouse 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 assistance in installation, maintenance, repair, technical assistance of maintenance and repair, or use of any equipment covered by or furnished under this contract whether in contract, in tort, (including negligence) or otherwise, shall not, except as expressly provided in the provision entitled "Warranty," exceed the price set forth herein for the work.

Patents

Subject to the following provisions, Westinghouse shall at its own expense, defend or at its option settle any claim, suit or proceeding brought against the Purchaser, and/or its vendees, mediate and immediate, so far as based on an allegation that any goods, material, equipment, device or article (hereinafter referred to as product) or any part thereof furnished hereunder constitutes a direct or a contributory infringement of any claim of any patent of the United States. This obligation shall be effective only if Purchaser shall have made all payments then due hereunder and if Westinghouse is notified promptly in writing and given authority, information and assistance for the defense of said claim, suit or proceeding.

Westinghouse shall pay all damages and costs awarded in such suit or proceedings so defended. In case the product or any part thereof furnished hereunder becomes the subject of any claim, suit or proceeding for infringement of any United States patent, or in the event of an adjudication that such product or part infringes any United States patent, or if the use or sale of such product or part is enjoined, Westinghouse shall, at its option and its own expense, either:

- (a) procure for the Purchaser the right to continue using said product or part thereof; or
- (b) replace it with a non-infringing product; or
- (c) modify it so it becomes non-infringing; or
- (d) as a last resort remove it and refund the purchase price and the transportation and installation costs thereof.

The foregoing indemnity does not apply to the following:

1. Patented processes performed by the product, or another product produced thereby.
2. Products supplied according to a design other than that of Westinghouse and which is required by the Purchaser.
3. Combinations of the product with another product not furnished hereunder unless Westinghouse is a contributory infringer.
4. Any settlements of a suit or proceeding made without Westinghouse's written consent.

The foregoing states the entire liability of Westinghouse with respect of patent infringement by said product or any part thereof.

If a suit or proceeding is brought against Westinghouse solely on account of activities enumerated in paragraphs 1, 2, and 3 above, Purchaser agrees to indemnify Westinghouse in the manner and to the extent Westinghouse indemnified Purchaser in the preceding paragraph insofar as the terms thereof are appropriate.

Title - Risk of Loss

The product sold shall remain the property of Westinghouse and shall remain personal property of Westinghouse until fully paid for in cash, and the Purchaser agrees to perform all acts which may be necessary to perfect and assure the retention of title to such property by Westinghouse. Risk of loss of the product, or any part of the same, shall pass to the Purchaser upon delivery of, such product or part, F.O.B. point of shipment unless delivery is made F.O.B. destination.

Indemnification

Westinghouse shall, subject to provision entitled "Limitation of Liability", indemnify and save the Purchaser harmless for, but only for, claims for physical damage to property and personal injuries, including death, occurring during the performance of the work hereunder on the premises of the Purchaser and resulting directly and solely from the negligence of the employees of Westinghouse while engaged in such work. Westinghouse shall, with respect to such work, comply with the provision of the applicable Workman's Compensation Act.

Termination

Any order or contract may be terminated by the Purchaser only on written notice and upon payment of reasonable and proper termination charges.

Drawing Approval

Drawing approval assures the Purchaser that Westinghouse has designed the apparatus as described and detailed in the Purchaser's specification. If, at drawing approval, Westinghouse has failed to design the apparatus in line with the Purchaser's specification, Westinghouse will make the appropriate changes at no charge to Purchaser. Where Purchaser's specifications are not definitive, Westinghouse reserves the right to design the apparatus in line with, in Westinghouse's judgment, good commercial practice.

If, at drawing approval, the Purchaser makes changes outside of the design as covered in his specification, Westinghouse will then be reimbursed reasonable charges and allowed a commensurate delay in shipping date based on the changes involved.

Non-Standard Data

Special drawings, operating and instructional data, etc., refer to Westinghouse for quotation.

Export Packing

Prices quoted include apparatus having standard domestic packing only. Where packing for overseas shipment is required, refer to Westinghouse for quotation.

Special Testing

Equipment covered by this Selling Policy shall not be subjected to any test procedures other than those specified by the latest revision of American National Standards Institute (ANSI) for the particular equipment involved or agreed upon by Westinghouse as being necessary to determine the equipment's service ability for the purpose intended. Any such unauthorized testing procedures shall automatically void any warranty consideration. Payment shall not be contingent upon the results of any unauthorized testing procedures.