



SUN-STAR ELECTRIC, INC.

AN EMPLOYEE OWNED COMPANY

7722 W. 34th Street Lubbock, Texas 79407
Phone: (806) 793-2812 (800) 782-9675 Fax: (806) 793-1989
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Selling Policy 100
Date: 4/20/2022
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TERMS AND CONDITIONS OF SALE

Quotations

All quotations whether verbal or written unless otherwise specifically stated will expire thirty (30) days from the quotation unless otherwise agreed. The right to correct any and all clerical errors at any time is reserved by Sun-Star Electric, Inc.

Prices

Prices and discounts are subject to change without notice. In the event of a price change, all orders and unshipped shipments will reflect the price change, as it exists at the time of shipment.

All specific orders for immediate shipment, for future shipment, for hold orders and for "add on" orders will be subject to the above price policy.

Taxes

The price does not include any federal, state, or local property, license, privilege, sales use, value added, excise, or other like taxes which may now or hereafter be applicable to or imposed upon or with respect to the transaction, the sale, its value, its use, or any services performed in connection herewith.

The Purchaser agrees to pay or reimburse any such taxes that the Seller is required to pay.

Terms

The standard terms of payment are net within thirty (30) days from the date of shipment or date of invoice, whichever occurs first unless otherwise agreed.

Shipment (See Destination Point)

Standard shipments will be made FOB point of shipment freight collect unless other arrangements have been agreed. Purchaser is to file any damage or property loss with the carrier.

Minimum Billing

There will be a minimum billing of \$10 per item or \$100

per order for any and all shipments made.

Cancellation

Orders entered and scheduled for shipment are not subject to cancellation. Orders may be extended a maximum of 90 days (subject to price changes) and not be subject to any cancellation charge. A charge of 15% of the net billing price will apply for any stock cancelled items. Engineered products are subject to a cancellation charge of 100% of the net billing price.

Restocking Charge

A restocking charge of 25% will apply for all complete standard stock items returned freight prepaid that have been unopened and in saleable condition. Opened, non-re-saleable items, damaged items, etc., will be charged at a value of from 25% to 100%, depending on the condition of the merchandise. Any charges required to return the product to a saleable condition will be borne by the Purchaser requesting the return. Contact Sun-Star Electric, Inc. before attempting to return any material so that authorization and instructions can be issued if the material is returnable.

Nuclear Usage

These products have no nuclear usage rating and should not be used in any area designated to conform to nuclear specifications.

Delayed Payments

If payments are not made in accordance with the standard net 30-day terms, a service charge will be added to the account of the Purchaser in an amount of 1.5% per month of the unpaid outstanding balance.

Payments

If the financial condition of the Purchaser at any time during the period of the agreement does not justify the terms of payment

specified, a full or partial payment in advance may be required.

If purchaser is judged bankrupt or insolvent in any legal proceedings, the supplier may cancel all unshipped items and all items shipped but not yet paid for will be returned immediately.

Products held for the Purchaser shall be at the risk and expense of the Purchaser and will be billed at the price in effect at the time of shipment. All expenses incurred in connection with the storage of products, including demurrage, cost of preparation for storage, storage charges, insurance, and handling charges shall be paid by the Purchaser. Risk of the loss of the product shall pass to the Purchaser upon delivery of such products at the designated delivery (FOB) point.

Force Majeure

Sun-Star Electric, Inc. shall not be liable for failure to perform due to fire, flood, strike or other labor difficulties, acts of God, act of any government authority, riot, embargo, fuel or energy shortage, wrecks or delays in transportation, or due to any cause beyond its reasonable control.

Remedies

The remedies of the Purchaser set forth herein are exclusive and the liability of Sun-Star Electric, Inc. 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, or use of any equipment covered by or furnished under the contract, whether in contract, in tort (including negligence) or otherwise shall not exceed the price of the equipment or part on which such liability is based.

New Motor Warranty

New motors manufactured or distributed by Sun-Star Electric,



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Inc. carry the following factory warranty: Each submersible motor is fully guaranteed against defects in workmanship and material under normal use. This warranty is for a period of 12 months from date of installation or 2 years from date of shipment, whichever occurs first. Power cables and splices associated with power cables not supplied by Sun-Star Electric, Inc. are not covered by the motor warranty nor will any motor failure caused by defective cable or splices be covered by warranty.

The warranty is contingent upon the proper quick-trip overload and short circuit protection, cable size and transformer installation.

Motors returned freight prepaid to an authorized warranty station within the warranty period and found to be defective will be repaired or replaced at the option of the Seller. If repaired or replaced: The balance of the remaining original warranty time period will still be in effect for the said equipment. This action constitutes a complete fulfillment of all liability with respect to said equipment.

Repaired and Rebuilt Motor Warranty

All motors which are repaired or rebuilt by Sun-Star Electric, Inc. will have the following warranty: Each motor which is repaired or rebuilt is guaranteed for one year from shipping date against defects in workmanship and material to that aspect of the motor which Sun-Star Electric, Inc. repaired. Sun-Star Electric, Inc. accepts neither liability nor any responsibility for motor failure attributed to components of the motor that were not replaced or repaired.

The above warranty is contingent upon the proper quick-trip overload and short circuit protection, cable size and transformer installation. Power cables and splices associated with power cables not supplied by Sun-Star Electric, Inc. are not covered by the motor warranty. Any motor failure caused by defective controls, transformers, cables, splices or high voltage surges or spikes, restricted flows, single phase power or other external causes will not be covered by warranty.

A warranted motor will be repaired or replaced at the option of Sun-Star Electric, Inc. If repaired or replaced, the balance of the remaining original warranty time period will still be in effect for the said equipment. This action constitutes a complete fulfillment of all liability with respect to said equipment.

Limited Liability

Sun-Star Electric, Inc. and its suppliers of any tier shall not be liable in contract in tort (including negligence) or otherwise for damage or loss of other property or equipment, loss of profits or revenue, loss of use of equipment, loss of crops, cost of capital cost of purchase or replacement equipment (including additional expenses incurred in using existing facilities) claims of customer of the Purchaser, or for any special indirect, incidental, or consequential damages whatsoever.

Sun-Star Electric, Inc. and its suppliers of any tier will not be liable or responsible for installation or pulling charges, labor charges, loss or damage to the motor caused by improper installation, improper pulling of

the pump, or for motor failure caused by defective pumps or pump parts, or for charges incurred by unauthorized repair of the motor.

Any disassembling of new motors (before or after any failure) except by an authorized warranty station will void any warranty.

Any disassembling of a motor which was repaired or rebuilt by Sun-Star Electric, Inc. must be performed by Sun-Star Electric, Inc. otherwise the warranty will be void.

Consequential Damages

Sun-Star Electric, Inc. will not assume any liability for any special, incidental, or consequential damages of any kind (see Limitations of Liability).

Export packing

For all export packaging, contact Sun-Star Electric, Inc.

Concealed Damage

Except in the case of FOB destination shipments, Sun-Star Electric, Inc. will not participate in any settlement of claims for concealed damage.

Title

The title and right of possession of the material shall remain the personal property of Sun-Star Electric, Inc. until all payments shall have been made in cash in full.

Purchase Order Term

Sun-Star Electric, Inc. is not bound by any terms or conditions on customer purchase orders which are different than set forth on this selling policy. This selling policy covers products, which may be manufactured outside the U.S.