



## CONDITIONS OF SALE and WARRANTY and SERVICE POLICY

**1. SHOP DRAWINGS** PEI will prepare shop drawings and specifications describing the equipment to be provided (when required) under this Contract. PEI shop drawings, specifications and equipment data will be provided utilizing standard PEI packaged, modular design and reflect standard PEI design and manufacture for PEI equipment as purchased. Sufficient information will be provided to illustrate major components of assemblies, standard controls (where applicable), basic materials and any special accessories or optional items. Three (3) copies of engineering submittals are provided. Extra sets are extra cost. PEI assumes no responsibility for design and/or performance of equipment manufactured from designs provided by others. Shop drawings shall be returned approved, or approved as noted, prior to commencement of component procurement or manufacture. PEI shall not be responsible for determining or verifying field conditions, or coordination with equipment or material provided by others.

All drawings, diagrams, specifications and technical data provided the Purchaser by PEI shall remain property of PEI and shall not be assigned, transferred, copied or applied to similar situations without express written consent of PEI.

**2. O&M MANUALS** PEI will provide 3 complete O & M Manuals for all equipment/systems provided. Additional sets are extra cost.

**3. DELAY** PEI shall not be responsible for delay in performance due to accidents to plant or causes beyond its control. PEI will provide purchaser prompt notice of any such delay and the time for performance by PEI shall be extended accordingly. If delay, through no fault of PEI, caused by lack of performance on part of Purchaser exceeds 30 days, Purchaser agrees to compensate PEI for increased costs in material and/or labor associated with such delay.

**4. DELIVERY** PEI will ship equipment in accordance with pre-agreed schedule with Purchaser. If Purchaser is unable to accept shipment on the pre-agreed date, PEI shall bill for payment due upon shipment and place equipment in storage. If shipment is not made within 14 days after placement in storage, appropriate storage charges will be assessed and purchaser agrees to pay such charges as billed monthly.

**5. START-UP** PEI will provide start-up services (where included) of a qualified technician(s) at Project field site for the period as stated. Start-up services include all costs associated with such service: travel, lodging, per-diem, labor and normal equipment. Additional services, extended periods or training are not included and shall be negotiated on an as-needed basis.

**6. WARRANTY** PEI warrants its System to be free from defects in materials and labor for a period of one year after being placed in service or eighteen months from date of shipment, whichever occurs first. Stainless steel enclosed flare burners are warranted against defects in design and/or manufacture for two years after being placed in service or thirty months from date of shipment, whichever occurs first.

All of the components not manufactured by PEI carry their own manufacturers warranty. In no way does PEI warranty override, supersede, or limit those warranties. With respect to products, parts and work not manufactured or performed by PEI, PEI's only obligation shall be to assign to Purchaser, to the extent possible, whatever warranty PEI receives from the original Manufacturer. PEI will attempt to aid the Purchaser in obtaining replacement parts or repair of the component as outlined in our Service Policy. The liability of PEI shall not, in any case, exceed the cost of correcting the defect in the component and PEI shall not be liable for indirect or consequential damages as a result of any component failure.

PEI warrants only the cost of parts and labor for repair of design and/or workmanship defects, and is not responsible for any damage and/or loss caused by the system to any personal or real property. PEI is not responsible for premature wear or failure of gas train components caused by hydrogen sulfide in excess of 1500 ppm, or chlorinated hydrocarbons in excess of 35 ppm. PEI is not responsible for any special, direct, indirect, or consequential damage or loss of income or saving due to down time on other components which rely on the System.

PEI's warranty shall not apply if damage results from maladjustment, abuse, inadequate maintenance, accident, or improper service or installation.

This warranty does not include reimbursement of any costs for shipping the product or parts to PEI facility or local designated service establishment, or for labor and/or material required for removal or reinstallation of a product in connection with a warranty repair. In no event shall PEI be liable for cost of labor for replacement or repair of defective parts when the unit has been in the possession of the Purchaser for a period longer than one year.

This warranty is in lieu of all other warranties, expressed or implied, including warranties of merchantability or fitness for a particular purpose, any legal implied warranty of fitness, merchantability or otherwise applicable to this product shall be limited in duration to the minimum period already set forth. This warranty gives the Purchaser specific legal rights; you may also have other rights which vary from state to state. Any claim by the Purchaser shall be submitted to PEI in writing during the warranty period.

**7. SERVICE POLICY** If repair service is required during the Warranty period, the Purchaser should first call PEI's Service Department and explain the nature of the problem. If the problem is minor, and the Purchaser is willing and able to correct it, then PEI will supply instructions. If this process is unable to correct the problem, then a service technician should be contacted by the Purchaser to do the repair work. PEI will supply maintenance instruction as needed, by phone. If the problem is determined by PEI to be related to the design or workmanship of the system, then PEI will pay reasonable, pre-approved, charges for material and labor for repair. The Purchaser shall pay the technician directly, and submit a warranty claim to PEI for reimbursement of materials and labor. In all other cases, the Purchaser is responsible for labor costs.

In the case of component failure, PEI will aid the Purchaser by providing the required part the same day (if in stock). An invoice for the part and shipping will be sent with the part. The Purchaser returns the defective part either to the original manufacturer or to PEI (depending on the circumstances) for determination of the cause of failure. An RGA (Returned Goods Authorization) number will be issued, which must appear on the return shipping label. If the part proves defective and is covered by the original manufacturers warranty, then the Purchaser will be credited for the invoice that was sent with the new part, but shall be responsible for the shipping costs.

If repair service is required after the warranty period has expired, the Purchaser is responsible for parts, labor, and shipping costs. PEI Service Department is available during normal business hours to provide assistance with service and maintenance to allow maximum equipment efficiency and service life.

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