

Warranty – Standard Terms and Conditions

- 1) **Agreement and Limitations.** Keller Electrical Industries, Inc. ("Keller" or the "Company") is an Electrical Apparatus Service Association (EASA) member and a Distributor/Value Added Re-seller for many reputable manufacturers. Keller adheres to EASA Standards with regard to Electrical Apparatus, and Manufacturers' Warranty for products sold and components used in the performance of our manufacturing and service. These terms and conditions ("Terms") are made part of the "Sales Agreement" between Keller and the Customer, with respect to the Purchase of new or used Electrical Apparatus, Components, parts and supplies, or the servicing of the Customer's Electrical Apparatus (NEMA Motors, Generators, Pumps, Transformers, etc.), delivered to Keller for service or repair. Keller shall not be bound by any additional or different Terms, whether printed or otherwise, whether in Customer's purchase order, or in any other communication from Customer to Keller, unless specifically agreed to by Keller in writing. The Agreement shall be for the benefit of Keller and the Customer and not for the benefit of or enforceable by any third party or other person. Prior courses of dealing, trade usage and verbal agreements not reduced to writing and signed by the President of Keller, to the extent they modify the Agreement, shall not be binding on Keller.
- 2) **Termination.** The Terms may be terminated by the Customer only upon Keller's written consent. Keller may terminate this Agreement by written notice to the Customer, provided Keller shall then promptly place any Customer Property with an appropriate carrier for return to Customer. Freight terms will be F.O.B. Origin.
- 3) **Price & Payment.** Customer shall be responsible for all costs of shipment, except as expressly assumed by Keller in this Agreement. Terms of payment shall be due Net 30 Days from date of invoice (On Approved Credit). Keller may require partial, progress or third party payment guarantee in advance of rendering services or shipment whenever, in Keller's sole discretion, it is prudent to do so. Prior to any services being rendered, a current and valid exemption certificate must be on file with the Company. In the event that a resale certificate has not been provided to Keller, the Customer shall also pay to Keller all applicable sales taxes and or other governmental charges which the Company is obligated by law to remit to any government entity by reason of services rendered to the Customer. If the Customer pays Keller by check and such check is returned as unpaid, or if Customer pays by credit card and later instructs the credit card issuer to withhold payment, in addition to original charges the Customer shall be liable to pay Keller for all returned check charges and, if Customer's account is placed with an attorney for Collection, shall be liable to pay all of Keller's attorney or expert fees, whether or not a lawsuit is commenced. The limited warranty clause for service and repairs will be considered null and void under nonpayment or late payment circumstances.
- 4) **Limited Warranty.** In lieu of all other warranties, express or implied, including without limitation warranties of merchantability and/or fitness for a particular purpose, Keller issues only to the Customer (and not to any subsequent owner or other person or entity) this limited warranty for any Products or Electrical Apparatuses sold by, repaired, or services performed by Keller pursuant to a purchase order accepted by the Company:

Products and/or Apparatus Sold by Keller

- **New** – Keller warrants that the apparatus and products sold is new and subject to the manufacturer's warranty.
- **New Apparatus Not Warranted By Manufacturer** - Keller warrants that the apparatus has never been in service. Such warranty will extend for a period of one (1) year from date of shipment, during which time the apparatus will operate satisfactorily, with competent supervision, under rated load, original nameplate data, usage and conditions.
- **Remanufactured** - Keller warrants that the apparatus has been completely rewound and rebuilt to EASA Recommended Practice and tolerances. Warranty will extend for a period of one (1) year from date of shipment, during which time the apparatus will operate satisfactorily, with competent supervision, under rated load, original nameplate data, usage and conditions.
- **Reconditioned** - Keller warrants that the apparatus is complete, has been dismantled, inspected, parts cleaned, lubricated, windings dried and treated, assembled, tested and painted. Warranty will extend for a period of ninety (90) days from date of shipment, during which time the apparatus will operate satisfactorily, with competent supervision, under rated load, original nameplate data, usage and conditions.
- **Used, Not Reconditioned Or Disassembled – Electrical** - Keller warrants that the apparatus operates and complies with the stamped nameplate ratings as specified in EASA Recommended Practice.
- **Used, Not Reconditioned Or Disassembled – Mechanical** - This apparatus shall contain all necessary parts to ensure its operation and has no visible broken parts.
- **As Is** – Keller offers no warranty of condition, whatsoever, as agreed by the buyer and Seller.

Apparatus Serviced By Keller (except for transformers)

- **Complete Apparatus - Mechanically Rebuilt, Electrically Tested** - Keller warrants that the apparatus has been dismantled, inspected, parts cleaned, lubricated, windings dried, varnished and baked as required, all mechanical tolerances (including sleeve bearings if a component of the equipment) brought to Manufacturer's tolerances or EASA Recommended Practice, including the replacing of all anti-friction bearings with new bearings (if such bearings are a component of the equipment), dynamically balanced, assembled, tested, and painted. Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty, but not to exceed ninety (90) days from date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of Keller's Warranty. In the event that Keller and the Customer mutually agree that a bearing(s) should not be replaced or rebabbitted, the bearing(s) is (are) not warranted.
- **Complete Apparatus - Electrically Rebuilt, Mechanically Inspected**
 - a) **Totally Electrically Rebuilt** – Keller warrants that the apparatus has been dismantled, inspected, parts cleaned, lubricated, all windings replaced with new winding(s) composed of new insulation and wire in accordance with EASA Recommended Practice, assembled, tested, and painted. Keller Warranty shall extend for a period of ninety (90) days from the date of shipment on all items except the new electrical winding(s) which Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty, but not to exceed one (1) year from date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of Keller's Warranty.
 - b) **Partially Electrically Rebuilt** - Keller warrants the apparatus as stated in paragraph a) above, except for apparatus where multiple windings are involved (e.g.: slip ring motors, direct current motors, synchronous motors); and Keller's Warranty for multiple winding apparatus applies only to the new winding(s) installed by Keller.
- **Complete Apparatus - Mechanically And Electrically Rebuilt**
 - a) **Totally Mechanically and Electrically Rebuilt** - Keller warrants that the apparatus has been dismantled, inspected, parts cleaned, lubricated, all mechanical tolerances (including sleeve bearings if a component of the equipment) brought to Manufacturer's tolerances or EASA Recommended Practice, all windings replaced with new windings composed of new insulation and wire in accordance with EASA Recommended Practice, including the replacing of all anti-friction bearings with new bearings (if such bearings are a component of the equipment), dynamically balanced, assembled, tested, and painted. Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty, but not to exceed one (1) year from date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of Keller's Warranty. In the event that Keller and the Customer mutually agree that a bearing(s) should not be replaced or rebabbitted, the bearing(s) is not warranted.
 - b) **Partially Electrically Rebuilt and Totally Mechanically Rebuilt** – Keller warrants the apparatus as stated above in paragraph a), except for apparatus where multiple windings are involved (e.g.: slip ring motors, direct current motors, synchronous motors); and Keller's Warranty for multiple winding apparatus applies only to the new winding(s) installed by Keller.
- **Complete Apparatus – Reconditioned** - Keller warrants that the apparatus has been dismantled, inspected, parts cleaned, lubricated, windings dried and varnish treated as required, dynamically balanced, assembled (replacing anti-friction bearings with new bearings, if applicable), tested, and painted. Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty, but not to exceed ninety (90) days from date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of Keller's Warranty.
- **Components Of Apparatus - Mechanically And Electrically Rebuilt** – Keller warrants that the component of apparatus has been inspected, all mechanical tolerances brought to Manufacturer's tolerances or EASA Recommended Practice, windings replaced with new windings and insulation in accordance with EASA Recommended Practice, varnish treated as required, dynamically balanced (if applicable), and painted (if applicable). Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty, but not to exceed ninety (90) days after date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of Keller's Warranty.
- **Components Of Apparatus – Reconditioned** – Keller warrants that the component of apparatus has been inspected, windings dried and varnish treated as required, dynamically balanced (if applicable), tested, and painted (if applicable). Keller's Warranty shall extend for a period equal to the Manufacturer's Warranty but not to exceed thirty (30) days from date of shipment. Keller's Warranty shall be limited to the liability provided in the general provisions which are a part of the Keller Warranty.

The foregoing warranties will not apply to defects, occurring within the warranty period, resulting from misuse by customer or by reason of improper installation, application, circuit protection, assembly or repair of the apparatus by others subsequent to the sale or service by Keller.

If the apparatus does not operate in accordance with the foregoing warranties, Keller will refund the price of the goods or service or will provide for the reworking or replacing of the apparatus or parts, at Keller's option, to cause it to so operate for no additional charge to the customer, at Keller's facility, and during Keller's regular working hours. Transportation of the apparatus, if required, will be paid for by the customer. Keller's liability for any breach of the foregoing warranty shall be limited to such refund, reworking or replacement and, in the case of claims arising out of the Keller's inspection of apparatus, to the charge made for such inspection.

Keller, shall not, under any circumstances be liable for any expenses incurred or otherwise for inconvenience or loss of use of the goods and services, or any machinery, equipment, application or process of which the goods or services are a component. Keller shall not under any circumstances be liable for any indirect, special or incidental or consequential damages, costs and/or expenses arising out of the use of the goods or services; or the failure of the goods and services to conform to this limited warranty, regardless of the theory of liability under which any such claim may be pursued. Keller's liability shall not, in any event exceed the amounts charged by the Company for the service(s) rendered. Keller shall not be liable to the Customer or any other person, and this limited warranty shall be void if the Customer, or any other person (a) modifies, tampers with or attempts to repair the apparatus after Keller's sale or service, or (b) uses the goods or apparatus in a manner other than as recommended by the manufacturer, or (c) uses the goods or apparatus in any machinery, equipment, application or process for which the item is not intended, or rated by the manufacturer, or (d) if the claimed failure of the goods or apparatus is the result of misuse, neglect, abuse, accident or failure of any other machinery or equipment, or component thereof.

Transformers Serviced By Keller

Transformers accepted by Keller from a Customer for repair or servicing will be warranted to operate satisfactorily for the time period as defined herein. Transformers accepted by Keller from a Customer for specific repairs, or for the repair and replacement of specific parts only, are warranted only to the extent that such specific repairs are performed or parts furnished by Keller. All warranties are provided with the condition that Customer operates the transformer with competent supervision, does not exceed rated load or capacity of transformer, and has normal usage and operating conditions.

Any warranty repair done by contract and/or customer must first be authorized by Keller. The correction of such defects by repair or replacement shall constitute fulfillment of all Keller's obligations with respect to the product sold hereunder.

Types of Limited Warranties are as follows:

- **Class A (Category I) Repairs** - Category I Repairs are those that do not require removal of the core and coils from the case but require cleaning, servicing, testing and painting.

Keller warrants it has checked the transformer for mechanical and electrical damages and made necessary repairs, refurbished case if needed, checked the oil level and replaced the gaskets if applicable. The Service Center has performed all applicable tests according to ANSI, IEEE, or EASA Recommended Practice. All work is warranted for ninety (90) days. Should the unit fail within the warranty period, the amount charged will be credited toward additional repairs performed on the same unit.

- **Class B (Category II) Repairs** - Category II Repairs are those requiring removal of the core and coils, oven drying, completely repairing or replacing any parts, refinishing case, reassembly and testing.

Keller warrants it has dismantled the transformer, cleaned, tested and repaired or replaced all defective equipment, dried and varnished the coils if applicable, refurbished the case, refilled with non-PCB oil, furnished and installed new gaskets if applicable, performed all applicable tests according to ANSI, IEEE, or EASA Recommended Practice. All work is warranted for ninety (90) days. Should the unit fail within the warranty period, the amount charged will be credited toward additional repairs performed on the same unit.

- **Class C (Category III) Repairs** - Category III Repairs are those requiring removal of the core and coils, installing new windings and insulation, completely repairing or replacing any defective parts, refinishing case, reassembling and testing.

Keller warrants it has dismantled the transformer, cleaned, tested and repaired or replaced all defective equipment, installed new windings on the cores, refurbished the case, refilled with non-PCB oil, furnished and installed gaskets if applicable, performed all applicable tests according to ANSI, IEEE, or EASA Recommended Practice. All work is warranted for one year.

General Provisions

The foregoing Warranties will not apply to defects, occurring within the warranty period, resulting from misuse by Customer or by reason of improper installation, application, circuit protection, assembly or repair of the transformer by others subsequent to service by the Service Center.

If the transformer does not operate in accordance with the foregoing Warranties, Keller will refund the price of the goods or service as stated in each category or will provide for the reworking or replacing of the apparatus or parts, at Keller's option, to cause it to so operate for no additional charge to the Customer, at Keller's place of business, and during Keller's regular working hours. Transportation of the transformer, if required, will be paid for by the Customer. Keller's liability for any breach of the foregoing Warranty shall be limited to such refund, reworking or replacement and, in the case of claims arising out of Keller's inspection of the transformer, to the charge made for such inspection. Keller shall not be liable to Customer, or to any other person, for any indirect, consequential, or other kinds of damages arising out of this transaction.

- 5) **Warranty Procedure.** If an item sold or repaired by Keller is claimed not to perform as specified under the original manufacturer's specifications when it is received by the customer, or is claimed to be defective within the limited warranty period as defined by, Section 4 above, the Customer shall give prompt written notice to Keller, in no event later than the expiration of the limited warranty period. Customer shall be responsible for any shipping or handling, or associated costs for shipping and handling of the repaired item back to Keller. Upon receipt of the item, Keller's technicians will inspect the item and determine whether the claimed non-conformity or defect, as the case may be, is related to a manufacturing defect in materials or workmanship, or the subject of a previous repair.

If Keller determines that the non-conformity or defect is not a manufacturer's covered warranty issue or not related to the Keller repair, or that one or more of the conditions described in Section 4, above, is a cause of the Customer's claim, Keller will give notice to the Customer promptly thereafter, and will request an authorization to perform additional repair services at Keller's applicable repair rates for such services. Keller will not engage in any additional repair services without the Customer's prior written authorization. If within ten (10) days of Keller's request for authorization to repair, the Customer requests the return of the unrepaired item, Keller will return the item at the Customer's expense. If the Customer neither authorizes the additional repairs, nor requests the return of the item within the ten (10) day period, the Customer will be liable to Keller for storage of the item at a rate per day that Keller establishes from time to time, which rates will be made available by Keller upon Customer's request. If the item remains in storage with Keller for a period of sixty (60) days or more after Keller's request for authorization to repair, Customer shall be deemed to have abandoned the item and Keller may dispose of it in its sole discretion, without incurring any liability whatsoever to the Customer.

If Keller determines that the non-conformity or defect comes within the terms and conditions of the limited warranty and if the Company elects under the limited warranty provision to repair the item in question, Keller will reworking or provide replacement without charge to the customer and will return the item to the customer at Keller's expense.

EASA Standards and EASA Recommended Practices referenced in the aforementioned may be found at: <http://www.KellerElectrical.com/services/repairdivision.shtml>