

## QUOTE AND CONTRACT OF SALE

ORDER NO:  
CUSTOMER NO:  
CUSTOMER:  
CUSTOMER P/O NO:

[DATE/TIME ISSUED]  
ENTERED BY:  
SHIP DESTINATION:

ORDER NOTES:

CUSTOMER SIGNATURE/  
ORDER ACKNOWLEDGMENT: \_\_\_\_\_

### TERMS AND CONDITIONS OF SALE:

In these Terms and Conditions of Sale, the Customer identified above is also hereinafter referred to as “you” or “your”. Please place your order with Arkansas Electric Cooperatives, Inc. (“AECI”) by marking the box next to each product that you desire to purchase and signing/acknowledging this Quote and Contract of Sale Contract (“Sale Contract”). By doing so and returning this Sale Contract to AECI, you agree to purchase the goods you have selected in the quantities, at the prices, and with the delivery dates set out in this Sale Contract (your “Order”). You also agree to be bound by AECI’s Standard Terms and Conditions of Sale (“Standard T&Cs”), which are available upon request and can be viewed on AECI’s website at [www.aecisales.com](http://www.aecisales.com) and the following specific Terms and Conditions of Sale:

1. Unless otherwise indicated, all price quotes contained in this Sale Contract expire thirty (30) calendar days from the date this Sale Contract is issued to you by AECI. In addition, prices quoted by AECI on goods marked as “In Stock” automatically expire if AECI sells such goods to other customers prior to receiving this Sale Contract from you confirming your order for such items. For items that are purchased by you under a supply arrangement (“Supply Arrangement”), whereby AECI agrees to sell and deliver items to you periodically as agreed, as opposed to a single purchase and delivery of items, AECI reserves the right, upon prior written notice to you, to increase the prices of such items in amounts needed to offset any price increases for such items that AECI receives from its suppliers during the term of the Supply Arrangement. If you do not wish to accept such price increases, you may terminate the Supply Arrangement regarding the affected items by providing written notice to AECI within 30 days of your receipt of such a price increase notice from AECI. All price increases will apply to items delivered after AECI gives notice of such price increases, and will continue to apply until AECI receives notice of termination from Purchaser.
2. Goods marked with the symbol “NC/NR” on this Sale Contract are non-cancellable and non-returnable.

**ARKANSAS ELECTRIC COOPERATIVES, INC.  
STANDARD TERMS AND CONDITIONS OF SALE**

These Standard Terms and Conditions of Sale (“Terms”) apply to any sale of goods by Arkansas Electric Cooperatives, Inc. (“AECI”), and are posted on AECI’s web site at [www.aecisales.com](http://www.aecisales.com) (“Web Site”). These Terms shall be incorporated by reference into any order or other agreement for sale and purchase of goods between AECI and the customer/purchaser of any such goods (“Purchaser”, “you” or “your”), and Purchaser shall be deemed to have full knowledge of these Terms. The placing of an order for goods by execution of a Quote and Contract of Sale or acceptance of goods from, AECI shall create a contract for the sale of goods between AECI and Purchaser (a “Sale Contract”) and shall be deemed to constitute acceptance by Purchaser, without Purchaser’s signature, of these Terms. Any terms and conditions set out in a Purchaser purchase order or other Purchaser document that are inconsistent with these Terms are not accepted by, and shall not be binding upon, AECI. These Terms may hereafter be revised from time to time by AECI by posting revisions on the Web Site without notice to Purchaser, and such revisions shall be binding on both Purchaser and AECI upon posting. Purchaser is responsible for checking the Web Site for any revisions to these Terms. No change, waiver or consent with respect to these Terms will be binding on AECI unless contained in a separate writing signed by an officer of AECI.

**1. Price Quotations.** Unless otherwise stated or agreed to by AECI in writing, all prices quoted by AECI, whether written or oral, are FOB destination and automatically expire thirty (30) calendar days from the date issued. In addition, prices quoted by AECI on “In Stock” items automatically expire if AECI sells such items to other customers prior to Purchaser taking action resulting in a Sale Contract regarding such items. For items that are purchased by Purchaser under a supply arrangement (“Supply Arrangement”), whereby AECI agrees to sell and deliver items to Purchaser periodically as agreed, as opposed to a single purchase and delivery of items, AECI reserves the right, upon prior written notice to Purchaser, to increase the prices of such items in amounts needed to offset any price increases for such items that AECI receives from its suppliers during the term of the Supply Arrangement. If Purchaser does not wish to accept such price increases, Purchaser may terminate the Supply Arrangement regarding the affected items by providing written notice to AECI within 30 days of Purchaser’s receipt of such a price increase notice from AECI. All price increases will apply to items delivered after AECI gives notice of such price increases, and will continue to apply until AECI receives notice of termination from Purchaser. Price quotations do not include applicable sales, use or other taxes. AECI will invoice and collect such applicable taxes from you unless you provide proof satisfactory to AECI that you have paid such taxes or that you are entitled to an exemption from such taxes, in which case you agree to indemnify and hold AECI harmless for any liability resulting from such claimed Purchaser paid taxes or such Purchaser tax exemption.

**2. Acceptance by Purchaser.** Acceptance by Purchaser of a Sale Contract may be expressed, or implied, by Purchaser’s execution of a Quote and Contract of Sale or Purchaser’s acceptance of goods from AECI. Purchaser’s acceptance will constitute your acceptance of the Sale Contract **and** these Terms. Any terms or conditions proposed in

your acceptance of a Sale Contract that add to, vary from or conflict with any of these Terms are deemed material and are hereby rejected by AECI.

**3. Sale Contract/Changes to Orders.** All Sale Contracts must, at a minimum, specifically identify the types of goods to be purchased, the quantities of such goods, and the requested delivery/pick-up/drop-ship date for such goods. Once a Sale Contract is accepted by Purchaser as provided herein, orders of goods under a Sale Contract may not be changed, cancelled or rescheduled without AECI's consent. Any change, cancellation or rescheduling of orders under a Sale Contract may, at AECI's sole discretion, be subject to a minimum restocking fee of 15% to compensate AECI for additional costs caused by such order change, cancellation or rescheduling.

**4. Payment.** Unless otherwise stated in writing by AECI, Purchaser agrees to pay AECI for all goods purchased pursuant the terms of the Sale Contract and any terms contained on AECI's invoice. AECI's invoices are payable upon receipt. Any invoiced amounts not paid within 30 days of the date of such invoice will be considered past due. Past due amounts not subject to good faith disputes will be subject to interest as follows: 7.5% per annum on all amounts due longer than 30 days; 10% per annum on all amounts due longer than 60 days; and 13% per annum on all amounts due longer than 90 days. Should any such interest rate on past due amounts exceed the maximum interest rate allowed under applicable law, such maximum interest rate allowed under applicable law will apply instead. If AECI takes legal action against Purchaser to collect any past due amounts, Purchaser agrees to reimburse AECI for all costs, including reasonable attorneys' fees, associated with such collection action.

**5. Adequate Assurance.** AECI may, in its sole discretion at any time prior to Purchaser's execution of a Sale Contract, demand that Purchaser provide adequate assurances of payment for such goods, which could include, but is not limited to, a requirement that Purchaser provide all information necessary for AECI to perform a credit check, or a requirement that Purchaser provide a parent guaranty, letter of credit or other assurance of payment. Failure to provide such adequate assurances of payment may result in all sales to Purchaser being on a cash-on-delivery basis only. Any such demand by AECI will be in writing and provide a reasonable amount of time for Purchaser to provide such adequate assurance.

**6. Warranties.** Goods purchased by Purchaser from AECI will carry only those warranties issued and authorized by the manufacturers of such goods, and AECI shall have no responsibility or liability with respect to such manufacturer warranties.

TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, AECI DISCLAIMS AND MAKES NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING ANY GOODS SOLD TO PURCHASER. IN PARTICULAR, AECI MAKES DISCLAIMERS AND NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE GOODS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND WARRANTIES AGAINST LATENT DEFECTS.

**7. Limitation of Liability.** IN NO CIRCUMSTANCES WILL AECI OR ITS MEMBERS, AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS OR EMPLOYEES BE LIABLE TO PURCHASER FOR: (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, INTELLECTUAL PROPERTY INFRINGEMENT OR SIMILAR DAMAGES, WHETHER FORESEEABLE OR NOT; (b) ATTORNEY FEES; (c) EXPERT FEES; (d) COURT COSTS; OR (e) OTHER COSTS NOT SPECIFICALLY PROVIDED FOR RECOVERY UNDER THESE TERMS. PURCHASER'S RECOVERY FROM AECI FOR ANY CLAIM RELATED TO A SALE OF GOODS SHALL NOT EXCEED THE PURCHASE PRICE PAID BY PURCHASER FOR SUCH GOODS IRRESPECTIVE OF THE NATURE OF THE CLAIM WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. ANY CLAIM BY PURCHASER MUST BE COMMENCED WITHIN 1 YEAR AFTER THE CAUSE OF ACTION ACCRUES.

**8. Delivery/Title/Risk of Loss.** Unless otherwise stated by AECI in writing, all goods shipped/delivered are FOB Destination. Title and risk of loss will transfer to Purchaser upon delivery of goods, as acknowledged by a signed shipping receipt, at Purchaser's designated destination.

**9. Returns.** Unused goods purchased by Purchaser from AECI may, in the sole discretion of AECI, be returned for credit to Purchaser's account. AECI will accept goods for return only if such goods, in the sole judgement of AECI, are in new/resalable condition. Unless otherwise instructed by AECI, goods shall be returned by Purchaser to AECI's warehouse facility in Little Rock, Arkansas, at Purchaser's sole expense.

**10. Force Majeure.** AECI is not liable to Purchaser for any delay or failure in the sale or delivery goods due to causes beyond AECI's reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, insurrection, invasion, strike, delay by carrier, shortage of goods, acts or omissions of third parties, or acts or omissions of civil or military authority.

**11. Governing Law/Jurisdiction.** These Terms and/or a Sale Contract will be construed and interpreted according to the laws of the State of Arkansas, without regard to the laws regarding conflicts of laws.

**12. Entire Agreement.** You acknowledge that a Sale Contract together with these Terms constitutes the entire agreement between you and AECI with respect to the subject matter of such Sale Contract.

**13. Conflict.** In the event of a conflict between these Terms and a Sale Contract, the terms and conditions contained in the Sale Contract shall control.

**14. Waiver.** The waiver by AECI or Purchaser of any right or remedy under these Terms or a Sale Contract will not affect any right or remedy subsequently arising under the same or similar clauses. A waiver of nonperformance under these Terms or a Sale Contract must be in writing and will apply only to the specific instance addressed in the waiver and to no other past or future nonperformance.

**15. Severability.** Any term or condition that is declared unlawful or unenforceable by a court of competent jurisdiction will not apply. The unenforceability of any such term or condition will not affect the enforceability of any other term or condition.