

SPECIAL CONDITIONS OF PURCHASE - BASIC ORDERING AGREEMENT

1. Nature of Agreement

The Purchase Order shall constitute a basic ordering agreement. No goods or services are purchased merely by issuance of the Purchase Order. A purchase is made when a release for specific goods or services is issued by Con Edison pursuant to these Special Conditions and the Seller or Contractor (either of whom is hereinafter referred to as "Seller") does not within five (5) days of issuance thereof notify Con Edison by telephone, confirming such notice promptly in writing, that the Seller will not supply the goods or services released. The Seller shall, unless it so notifies Con Edison, be obligated to furnish the goods or services released in accordance with the terms of the release and the Purchase Order, including these Special Conditions.

2. Releases for Goods or Services

Con Edison shall issue releases for specific quantities of goods or services to be furnished under the Purchase Order. Such releases may be called "Delivery Orders," "Releases," "Paving Orders," or "Opening Tickets."

Releases made by telephone will be confirmed promptly in writing. A mailed release is "issued" for purposes of the Purchase Order at the time Con Edison deposits it in the mail. Releases may also be made by facsimile (fax) or electronic data interchange (EDI) transmission.

3. Terms and Conditions

All releases issued hereunder are subject to the terms and conditions of the Purchase Order. In the event of conflict between the Purchase Order and any release, the terms and conditions of the Purchase Order shall govern.

4. Estimates

Any estimates contained in the Purchase Order of quantities of goods or services are inserted solely for the convenience of Con Edison and do not represent the amount, or even the approximate amount, of the quantities of goods or services Con Edison will release hereunder. Con Edison shall incur no liability whatsoever in respect of any goods or services not expressly released.

5. Status Reports

The Seller shall deliver to Con Edison not later than the tenth day of each month a report of releases filled during the previous month under this basic ordering agreement. Each report shall include (i) copies of all releases received and (ii) the amount billed for that month, the total amount paid through that month, and the total amount due and not yet paid through that month for releases previously filled.

6. Partial Deliveries

The entire quantity of goods shown on any release shall be delivered in one shipment unless otherwise specified. A delivery of less than the entire quantity shown on the release may be rejected. If a partial delivery is accepted, however, payment therefor shall not be due until the entire quantity is delivered.

7. Delivery Notice

For goods, Seller shall mail a shipping notice to Con Edison the same day any items are shipped. Each shipment shall be accompanied by an itemized packing list that states the Purchase Order number, the release number and the Con Edison identification number(s) of the items shipped.

8. Price Limit

Seller shall not deliver the goods or perform the services specified on any release if the price thereof together with the price of all such previous releases issued hereunder exceeds the total expenditure authorized by the Purchase Order unless and until that amount has been increased by means of a duly executed amendment to the Purchase Order. The Seller shall inform Con Edison in writing when the total price of goods or services released reaches 75% of the maximum expenditure authorized by the Purchase Order.

9. Completion of Performance

Releases issued during the effective period of the Purchase Order and not completed within that time shall be completed by the Seller within the time specified in such releases, and the rights and obligations of the Seller and Con Edison respecting those releases shall be governed by the terms of the Purchase Order as if such releases had been completed during the effective period of the Purchase Order.

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