



**Case No.: 19 - 1500-EL-EEC**

**Mercantile Customer: American Craft Brewery**

**Electric Utility: Duke Energy**

**Program Title or  
Description: EE Upgrade to Clean Bottle Feed System**

Rule 4901:1-39-05(F), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's existing demand reduction, demand response, and energy efficiency programs for integration with the electric utility's programs. The following application form is to be used by mercantile customers, either individually or jointly with their electric utility, to apply for commitment of such programs in accordance with the Commission's pilot program established in Case No. [10-834-EL-POR](#)

Completed applications requesting the cash rebate reasonable arrangement option (Option 1) in lieu of an exemption from the electric utility's energy efficiency and demand reduction (EEDR) rider will be automatically approved on the sixty-first calendar day after filing, unless the Commission, or an attorney examiner, suspends or denies the application prior to that time. Completed applications requesting the exemption from the EEDR rider (Option 2) will also qualify for the 60-day automatic approval so long as the exemption period does not exceed 24 months. Rider exemptions for periods of more than 24 months will be reviewed by the Commission Staff and are only approved up the issuance of a Commission order.

Complete a separate application for each customer program. Projects undertaken by a customer as a single program at a single location or at various locations within the same service territory should be submitted together as a single program filing, when possible. Check all boxes that are applicable to your program. For each box checked, be sure to complete all subparts of the question, and provide all requested additional information. Submittal of incomplete applications may result in a suspension of the automatic approval process or denial of the application.

Any confidential or trade secret information may be submitted to Staff on disc or via email at [ee-pdr@puc.state.oh.us](mailto:ee-pdr@puc.state.oh.us).

## Section 1: Mercantile Customer Information

Name: **American Craft Brewery LLC**

Principal address: **1625 Central Pkwy  
Cincinnati, OH 45214-2423**

Address of facility for which this energy efficiency program applies:

**1625 Central Pkwy  
Cincinnati, OH 45214-2423**

Name and telephone number for responses to questions:

**Andrew Taylor, (317) 838-2096**

Electricity use by the customer (check the box(es) that apply):

- ☒ The customer uses more than seven hundred thousand kilowatt hours per year at the above facility. (**Refer to Appendix A for documentation.**)
- ☐ The customer is part of a national account involving multiple facilities in one or more states. (Please attach documentation.)

## Section 2: Application Information

A) The customer is filing this application (choose which applies):

- ☐ Individually, without electric utility participation.
- ☒ **Jointly with the electric utility.**

B) The electric utility is: **Duke Energy**

C) The customer is offering to commit (check any that apply):

- ☐ Energy savings from the customer's energy efficiency program. (Complete Sections 3, 5, 6, and 7.)
- ☐ Capacity savings from the customer's demand response/demand reduction program. (Complete Sections 4, 5, 6, and 7.)
- ☒ **Both the energy savings and the capacity savings from the customer's energy efficiency program. (Complete all sections of the Application.)**

### Section 3: Energy Efficiency Programs

A) The customer's energy efficiency program involves (check those that apply):

- ✓ Early replacement of fully functioning equipment with new equipment. (Provide the date on which the customer replaced fully functioning equipment, and the date on which the customer would have replaced such equipment if it had not been replaced early. Please include a brief explanation for how the customer determined this future replacement date (or, if not known, please explain why this is not known)).

Upgraded the clean bottle feed system to eliminate the need for clean bottle accumulation (CBA) components in May, 2017.

- ☐ Installation of new equipment to replace equipment that needed to be replaced The customer installed new equipment on the following date(s): \_\_\_\_\_.
- ☐ Installation of new equipment for new construction or facility expansion. The customer installed new equipment on the following date(s): \_\_\_\_\_.
- ☐ Behavioral or operational improvement.

B) Energy savings achieved/to be achieved by the energy efficiency program:

- 1) If you checked the box indicating that the project involves the early replacement of fully functioning equipment replaced with new equipment, then calculate the annual savings [(kWh used by the original equipment) - (kWh used by new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

**Annual savings: 35,009 kWh**  
**Refer to Appendix B for calculations and supporting document**

- 2) If you checked the box indicating that the customer installed new equipment to replace equipment that needed to be replaced, then calculate the annual savings [(kWh used by less efficient new equipment) - (kWh used by the higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: \_\_\_\_\_kWh

Please describe any less efficient new equipment that was rejected in favor of the more efficient new equipment.

- 3) If you checked the box indicating that the project involves equipment for new construction or facility expansion, then calculate the annual savings [(kWh used by less efficient new equipment) - (kWh used by higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: \_\_\_\_\_kWh

Please describe the less efficient new equipment that was rejected in favor of the more efficient new equipment.

- 4) If you checked the box indicating that the project involves behavioral or operational improvements, provide a description of how the annual savings were determined.

Annual savings: \_\_\_\_\_kWh

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## Section 4: Demand Reduction/Demand Response Programs

A) The customer's program involves (check the one that applies):

- ✓ **Coincident peak-demand savings from the customer's energy efficiency program.**
- ☐ Actual peak-demand reduction. (Attach a description and documentation of the peak-demand reduction.)
- ☐ Potential peak-demand reduction (check the one that applies):
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a tariff of a regional transmission organization (RTO) approved by the Federal Energy Regulatory Commission.
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a program that is equivalent to an RTO program, which has been approved by the Public Utilities Commission of Ohio.

B) On what date did the customer initiate its demand reduction program?

**The clean bottle feed system upgrade occurred in May, 2017.**

C) What is the peak demand reduction achieved or capable of being achieved (show calculations through which this was determined):

**9.8 kW**

**Refer to Appendix B for calculations and supporting documentation.**

## **Section 5: Request for Cash Rebate Reasonable Arrangement (Option 1) or Exemption from Rider (Option 2)**

Under this section, check the box that applies and fill in all blanks relating to that choice.

Note: If Option 2 is selected, the application will not qualify for the 60-day automatic approval. All applications, however, will be considered on a timely basis by the Commission.

A) The customer is applying for:

☒ **Option 1: A cash rebate reasonable arrangement.**

OR

☐ Option 2: An exemption from the energy efficiency cost recovery mechanism implemented by the electric utility.

OR

☐ Commitment payment

B) The value of the option that the customer is seeking is:

Option 1: A cash rebate reasonable arrangement, which is the lesser of (show both amounts):

☒ A cash rebate of **\$1,872. Refer to Appendix C for documentation.** (Rebate shall not exceed 50% project cost.

Option 2: An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider.

☐ An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for \_\_\_\_ months (not to exceed 24 months). (Attach calculations showing how this time period was determined.)

OR

☐ A commitment payment valued at no more than \$\_\_\_\_\_. (Attach documentation and

calculations showing how this payment amount was determined.)

OR

- ☐ Ongoing exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for an initial period of 24 months because this program is part of the customer's ongoing efficiency program. (Attach documentation that establishes the ongoing nature of the program.) In order to continue the exemption beyond the initial 24 month period, the customer will need to provide a future application establishing additional energy savings and the continuance of the organization's energy efficiency program.)

## Section 6: Cost Effectiveness

The program is cost effective because it has a benefit/cost ratio greater than 1 using the (choose which applies):

- ☐ Total Resource Cost (TRC) Test. The calculated TRC value is: \_\_\_\_\_  
(Continue to Subsection 1, then skip Subsection 2)
- ✓ Utility Cost Test (UCT) . The calculated UCT value is **14.2** (Skip to Subsection 2.) **Refer to Appendix D for calculations and supporting documents.**

### Subsection 1: TRC Test Used (please fill in all blanks).

The TRC value of the program is calculated by dividing the value of our avoided supply costs (generation capacity, energy, and any transmission or distribution) by the sum of our program overhead and installation costs and any incremental measure costs paid by either the customer or the electric utility.

The electric utility's avoided supply costs were \_\_\_\_\_.

Our program costs were \_\_\_\_\_.

The incremental measure costs were \_\_\_\_\_.

Subsection 2: UCT Used (please fill in all blanks).

We calculated the UCT value of our program by dividing the value of our avoided supply costs (capacity and energy) by the costs to our electric utility (including administrative costs and incentives paid or rider exemption costs) to obtain our commitment.

Our avoided supply costs were **\$40,236**.

The utility's program costs were **\$970**.

The utility's incentive costs/rebate costs were **\$1,872**.

**Refer to Appendix D for calculations and supporting documents.**

## **Section 7: Additional Information**

Please attach the following supporting documentation to this application:

Narrative description of the program including, but not limited to, make, model, and year of any installed and replaced equipment.

A copy of the formal declaration or agreement that commits the program or measure to the electric utility, including:

- 1) any confidentiality requirements associated with the agreement;
- 2) a description of any consequences of noncompliance with the terms of the commitment;
- 3) a description of coordination requirements between the customer and the electric utility with regard to peak demand reduction;
- 4) permission by the customer to the electric utility and Commission staff and consultants to measure and verify energy savings and/or peak-demand reductions resulting from your program; and,
- 5) a commitment by the customer to provide an annual report on your energy savings and electric utility peak-demand reductions achieved.

### **Refer to Offer Letter following this application**

A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results. Additionally, identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.



53203723 01		
AMERICAN CRAFT BREWERY LLC		
1625 CENTRAL PKY		
CINCINNATI, OH 45214		
Date	Days	Actual KWH
4/5/2019	29	327,506
3/7/2019	29	294,824
2/6/2019	29	307,922
1/8/2019	34	344,097
12/5/2018	33	392,222
11/2/2018	29	332,294
10/4/2018	29	402,934
9/5/2018	30	431,533
8/6/2018	31	446,390
7/6/2018	30	404,391
6/6/2018	30	377,302
5/7/2018	31	383,414
<b>Total</b>		<b>4,444,829</b>

[illegible]

Appendix C -Cash Rebate Calculation

American Craft Brewery Clean Bottle Feed System Upgrade

Measure	Quantity	Cash Rebate Rate	Cash Rebate
Clean Bottle Feed System upgrade allowing CBA decommissioning	1	50% of incentive that would be offered by the Smart \$aver Custom program	\$1,872
			\$1,872

Appendix D -UCT Value

American Craft Brewery Clean Bottle Feed System Upgrade

Measure	Total Avoided Cost	Program Cost	Incentive	Quantity	Measure UCT
Clean Bottle Feed System upgrade allowing CBA decommissioning	\$40,236	\$970	\$1,872	1	14.16
Totals	\$40,236	\$970	\$1,872	1	

Total Avoided Supply Costs	\$40,236	Aggregate Application UCT	14.16
Total Program Costs	\$970		
Total Incentive	\$1,872		



Smart \$aver® Incentive Program

phone: 866.380.9580

fax: 980.373.9755

customprocessing@duke-energy-energyefficiency.com

5/7/2019

Fred Schmuhl  
AMERICAN CRAFT BREWERY LLC - 5320372301  
1625 CENTRAL PKWY  
CINCINNATI OH 45214-2423

Subject: Your Application for a Duke Energy Mercantile Self-Direct Rebate CMO19-0000161726

Dear Fred Schmuhl,

Thank you for your Duke Energy Mercantile Self Direct rebate application. As noted in the Energy Conservation Measure (ECM) chart on page 2, a total rebate of \$1,872.00 has been proposed for your project completed in the 2017 calendar years. **All Self Direct Rebates are contingent upon approval by the Public Utilities Commission of Ohio (PUCO).**

At your earliest convenience, please indicate if you accept this rebate by:

- \* providing your signature on Page 2
- \* completing the PUCO-required affidavit on Page 3

Please return the documents to my attention via fax at 513.629.5572 or email to customprocessing@duke-energy-energyefficiency.com. Upon receipt, Duke Energy will submit the necessary documentation to PUCO. Following PUCO's approval, Duke Energy will remit payment.

We value your business and look forward to working with you on this and future energy efficiency projects. We hope you will consider our Smart \$aver® incentives, when applicable. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Taylor', with a long horizontal line extending to the right.

Andrew Taylor  
Program Manager  
Custom Incentives

cc: Bob Bandenburg



**Please indicate your response to this rebate offer  
within 30 days of receipt.**

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☒ Rebate is accepted.

☐ Rebate is declined.

By accepting this rebate, AMERICAN CRAFT BREWERY LLC - 5320372301 affirms its intention to commit and integrate the energy efficiency projects listed on the following pages into Duke Energy's peak demand reduction, demand response and/or energy efficiency programs.

Additionally, AMERICAN CRAFT BREWERY LLC - 5320372301 also agrees to serve as joint applicant in any future filings necessary to secure approval of this arrangement as required by PUCO and to comply with any information and reporting requirements imposed by rule or as part of that approval.

Finally, AMERICAN CRAFT BREWERY LLC - 5320372301 affirms that all application information submitted to Duke Energy pursuant to this rebate offer is true and accurate. Information in question would include, but not be limited to, project scope, equipment specifications, equipment operational details, project costs, project completion dates, and the quantity of energy conservation measures installed.

If rebate is accepted, will you use the monies to fund future energy efficiency and/or demand reduction projects? ☒ Yes ☐ No

  
Customer Signature

Stephen Dixon  
Printed Name

5-13-19  
Date



## Proposed Rebate Amounts

Measure ID	Energy Conservation Measure	Proposed Rebate Amount
ECM-1	Energy Efficient Redesign of Clean Bottle Feed System	\$1,872.00 per project X 1
	Total	\$1,872.00



# Public Utilities Commission

(Mercantile Customers Only)

## Application to Commit Energy Efficiency/Peak Demand Reduction Programs

CM019-0000161726  
Case No.: \_\_\_\_-\_\_\_\_-EL-EEC

State of OHIO :

Stephen Dixon, Affiant, being duly sworn according to law, deposes and says that:

1. I am the duly authorized representative of:

American Craft Brewery LLC  
[INSERT CUSTOMER OR EDU COMPANY NAME AND ANY APPLICABLE NAME(S) DOING BUSINESS AS]

2. I have personally examined all the information contained in the foregoing application, including any exhibits and attachments. Based upon my examination and inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete.

3. I am aware of fines and penalties which may be imposed under Ohio Revised Code Sections 2921.11, 2921.31, 4903.02, 4903.03, and 4903.99 for submitting false information.

Stephen Dixon, Brewery Superintendent  
SIGNATURE OF AFFIANT & TITLE

Sworn and subscribed before me this 4 day of June, 2019  
DAY MONTH YEAR

[Signature]  
SIGNATURE OF OFFICIAL ADMINISTERING OATH

STEVE FREDERICK Notary  
PRINT NAME AND TITLE

My commission expires on 1-30-2022  
DATE







5/7/2019

Fred Schmuhl  
AMERICAN CRAFT BREWERY LLC - 5320372301  
1625 CENTRAL PKWY  
CINCINNATI OH 45214-2423

Subject: Your Application for a Duke Energy Mercantile Self-Direct Rebate CMO19-0000161726

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At your earliest convenience, please indicate if you accept this rebate by:

- providing your signature on Page 2
- completing the PUCO-required affidavit on Page 3

Please return the documents to my attention via fax at 513.629.5572 or email to [customprocessing@duke-energy-energyefficiency.com](mailto:customprocessing@duke-energy-energyefficiency.com). Upon receipt, Duke Energy will submit the necessary documentation to PUCO. Following PUCO's approval, Duke Energy will remit payment.

We value your business and look forward to working with you on this and future energy efficiency projects. We hope you will consider our Smart Saver® incentives, when applicable. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Taylor", with a long horizontal flourish extending to the right.

Andrew Taylor  
Program Manager  
Custom Incentives

cc: Bob Bandenburg



**Please indicate your response to this rebate offer  
within 30 days of receipt.**

---

☐ Rebate is accepted.

☐ Rebate is declined.

By accepting this rebate, AMERICAN CRAFT BREWERY LLC - 5320372301 affirms its intention to commit and integrate the energy efficiency projects listed on the following pages into Duke Energy's peak demand reduction, demand response and/or energy efficiency programs.

Additionally, AMERICAN CRAFT BREWERY LLC - 5320372301 also agrees to serve as joint applicant in any future filings necessary to secure approval of this arrangement as required by PUCO and to comply with any information and reporting requirements imposed by rule or as part of that approval.

Finally, AMERICAN CRAFT BREWERY LLC - 5320372301 affirms that all application information submitted to Duke Energy pursuant to this rebate offer is true and accurate. Information in question would include, but not be limited to, project scope, equipment specifications, equipment operational details, project costs, project completion dates, and the quantity of energy conservation measures installed.

If rebate is accepted, will you use the monies to fund future energy efficiency and/or demand reduction projects? ☐ Yes ☐ No

---

Customer Signature

---

Printed Name

---

Date



## Proposed Rebate Amounts

Measure ID	Energy Conservation Measure	Proposed Rebate Amount
ECM-1	Energy Efficient Redesign of Clean Bottle Feed System	\$1,872.00 per project X 1
	Total	\$1,872.00



## Application to Commit

### Energy Efficiency/Peak Demand Reduction Programs

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Case No.: \_\_\_\_ - \_\_\_\_ -EL-EEC

State of \_\_\_\_\_ :

\_\_\_\_\_, Affiant, being duly sworn according to law, deposes and says  
that:

1. I am the duly authorized representative of:

\_\_\_\_\_  
[INSERT CUSTOMER OR EDU COMPANY NAME AND ANY APPLICABLE NAME(S) DOING BUSINESS AS]

2. I have personally examined all the information contained in the foregoing application, including any exhibits and attachments. Based upon my examination and inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete.

3. I am aware of fines and penalties which may be imposed under Ohio Revised Code Sections 2921.11, 2921.31, 4903.02, 4903.03, and 4903.99 for submitting false information.

\_\_\_\_\_  
SIGNATURE OF AFFIANT & TITLE

Sworn and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
DAY MONTH YEAR

\_\_\_\_\_  
SIGNATURE OF OFFICIAL ADMINISTERING OATH

\_\_\_\_\_  
PRINT NAME AND TITLE

My commission expires on \_\_\_\_\_  
DATE

**Mercantile Self Direct  
Nonresidential Custom Rebate Application  
PART 1**



**Ohio Mercantile Self Direct Program**

Application Guide and Cover Sheet

Questions? Call 866.380.9580 or visit [duke-energy.com](http://duke-energy.com).

Email this form along with completed Mercantile Self Direct Prescriptive or Custom applications, proof of payment, energy savings calculations and spec sheets to [SelfDirect@Duke-Energy.com](mailto:SelfDirect@Duke-Energy.com). You may also fax to 513.629.5572.

Mercantile customers, defined as using at least 700,000 kilowatt-hours (kWh) annually or having an account in multiple locations are eligible for the Mercantile Self Direct program. Indicate which applies:

- ☒ a single Duke Energy Ohio account with 700,000 kWh annual usage  
☐ an account with multiple locations

Please list Duke Energy account numbers below (attach listing of multiple accounts and/or billing history for other utilities as required):

Account Number	Annual Usage	Account Number	Annual Usage
5320-3723-01-2	12,020,344		

Self Direct rebates are available for completed Custom projects that have not previously received a Duke Energy Smart Saver® Custom Incentive. Self Direct rebates are applicable to Prescriptive measures that were installed more than 90 days prior to submission to Duke Energy and have not previously received a Duke Energy Prescriptive rebate.

Self Direct program rules allow for, though do not require, certain projects that are Prescriptive in nature under the Smart Saver program to be evaluated using the Custom process in the Self Direct program. Use the list on page two as a guide to determine which Self Direct program best fits your project(s). Apply for Self Direct projects using the appropriate application forms in conjunction with this cover sheet.

Self Direct program rules also allow for behaviorally based and/or no cost and low cost projects to receive rebates.

Please check each box to indicate completion/inclusion of the following program requirements:

<input checked="" type="checkbox"/> All sections of appropriate application(s) are completed	<input checked="" type="checkbox"/> Proof of payment.*	<input checked="" type="checkbox"/> Manufacturer's Spec sheets	<input checked="" type="checkbox"/> Energy model/calculations and detailed inputs for Custom applications
----------------------------------------------------------------------------------------------	--------------------------------------------------------	----------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

\*If a single payment record is intended to demonstrate the costs of both Prescriptive and Custom projects, please include an additional document with an estimated breakout of costs for each Prescriptive and Custom energy conservation measure.

# Mercantile Self Direct Nonresidential Custom Rebate Application PART 1



\*\*Behavioral energy efficiency and demand reduction projects must be both measurable and verifiable. Provide justification with your application. Rebates for such projects may be small in magnitude.

Application Type	Prescriptive Measures with Optional Custom Processing
Heating and Cooling and Window Films, Programmable Thermostats, and Guest Room Energy Management Systems	<input type="checkbox"/> ENERGY STAR® Window/Sleeve/Room AC <input type="checkbox"/> Air Source Heat Pump Water Heater <input type="checkbox"/> Central Air Unit
	<input type="checkbox"/> Setback/Programmable Thermostat <input type="checkbox"/> Window Film <input type="checkbox"/> Guestroom Energy Management Control
Chillers	<input type="checkbox"/> Air Cooled Chiller <input type="checkbox"/> Water Cooled Chiller
Motors, Pumps and Variable Frequency Drives (VFDs)	<input type="checkbox"/> VFD -- applied to Process Pump <input type="checkbox"/> VFD -- applied to HVAC Fan <input type="checkbox"/> VFD -- applied to HVAC Pump
Food Service	<input type="checkbox"/> ENERGY STAR Hot Food Holding Cabinet <input type="checkbox"/> Anti-Sweat Heater Control <input type="checkbox"/> Night Covers for Display <input type="checkbox"/> Cooking Equipment <input type="checkbox"/> ECM Cooler, Freezer, and Display Case Motors <input type="checkbox"/> ENERGY STAR Ice Machine <input type="checkbox"/> ENERGY STAR Solid or Glass Door Reach-In Freezer or Refrigerator
Process Equipment	<input type="checkbox"/> Engineered Nozzle -- Compressed Air <input type="checkbox"/> Pellet Dryer Duct Insulation <input type="checkbox"/> Air Compressor Equipped with VFD
Chiller Tune-ups	<input type="checkbox"/> Air Cooled Chiller tune-up <input type="checkbox"/> Water Cooled Chiller tune-up

Please indicate above any Prescriptive energy conservation measures to be evaluated through the Custom process. Only Prescriptive measures listed above are eligible for this option. To receive a Self Direct Custom rebate, a detailed analysis of pre-project and post-project energy usage and project costs must be included in the application.

Although some Self Direct Prescriptive measures are eligible for evaluation through Custom processes, such an approach may not be most effective for certain measures.

# **Mercantile Self Direct Nonresidential Custom Rebate Application PART 1**



Proposed energy efficiency measures may be eligible for Self Direct Custom rebates if they clearly reduce electrical consumption and/or demand as compared to the appropriate baseline.

Before you complete this application, please note the following important criteria:

- Submitting this application does not guarantee a rebate will be approved.
- Rebates are based on electricity conservation only.
- Electric demand and/or energy reductions must be well documented with auditable calculations.
- Incomplete applications cannot be reviewed; all fields are required.

Refer to the complete list of Instructions and Disclaimers, beginning on page 6.

## **Notes on the Application Process**

If you have any questions concerning how to complete any portion of the application or what supplementary information is required, please contact your Duke Energy Ohio, Inc. account manager or the Duke Energy Self Direct team at 866.380.9580.

Every application must include calculations of the baseline electrical usage and the electrical usage of the proposed high-efficiency equipment/system. These calculations are performed and submitted by the Duke Energy Ohio customer, or your designated equipment vendor / engineer. Application Part 2 worksheets and page 6 of this application contain additional guidance on acceptable calculations. *Complex or unique projects may require the use, at the applicant's expense, of modeling software.* Please contact the Duke Energy Self Direct team with questions about these requirements.

If you do not receive an acknowledgement email within 1 day of submitting an application via online, email, or fax, please call 866.380.9580. The acknowledgement email will provide with an estimated response time based on an initial assessment of your application. The application review may include some communication to resolve any questions about the project or to request additional information. Applications that are received complete without missing information have a faster review time.

There are two ways to submit your completed application form and excel worksheets.

Email: Complete, sign, scan and send this application form and attachments to:  
[SelfDirect@duke-energy.com](mailto:SelfDirect@duke-energy.com) (note attachment size limit is applicable)

Fax: 513.629.5572

**Mercantile Self Direct  
Nonresidential Custom Rebate Application  
PART 1**



**1. Contact Information (Required)**

Duke Energy Customer Contact Information <sup>1</sup>				
Company Name (as it appears on your bill)	AMERICAN CRAFT BREWERY LLC			
Address	1625 CENTRAL PKWY STE A 45214			
City	CINCINNATI	State	OH	ZIP Code 45214
Project Contact	FRED SCHMUHL			
Office Phone (513)	412-3243	Mobile Phone	(707) 372-1292	
Email Address	FREDERICK.SCHMUHL@BOSTONBEER.COM			

Equipment Vendor / Contractor / Architect / Engineer Contact Information				
Company Name				
Address				
City		State		ZIP Code
Project Contact				
Office Phone		Mobile Phone		
Email Address				

Who is the primary point of contact for technical questions? <sup>2</sup>	
---------------------------------------------------------------------------	--

Payment Information				
If an incentive is awarded, who should receive payment? <sup>3</sup>				
<input checked="" type="checkbox"/> Customer <input type="checkbox"/> Vendor* (customer or customer's agent <sup>4</sup> must sign below)				
*If the payee is the vendor, they must issue a credit in the amount of the incentive to the customer on the invoice and include it with the payment request.				
Tax ID Number for Payee (provide W-9)	04-3537265			
Mailing Address for Payee (if different from above)				
Street				
City		State		ZIP Code

<sup>1</sup> Provided customer information should match the Duke Energy customer of record and W-9 form provided with this application. If the customer entity is a business affiliate of the Duke Energy customer of record, documentation must be provided that demonstrates the business affiliation.

<sup>2</sup> Note that if the vendor is the primary point of contact, the customer will still be copied on all application correspondence. If the customer does not wish to be copied, the customer must provide a signed letter of authorization on customer letterhead indicating an entity is acting as an agent for the customer. Duke Energy does not act as an agent.

<sup>3</sup> If payment is to be made to an entity other than the Duke Energy account holder or the vendor, a payment waiver is required and will be provided for customer signature.

<sup>4</sup> If an outside agent is acting on behalf of the Duke Energy customer of record, a letter of authorization on customer letterhead and signed by an authorized employee of the customer must be provided.



**Mercantile Self Direct  
Nonresidential Custom Rebate Application  
PART 1**



**2. Project Information (Required)**

A. Please indicate project type:

- ☐ New construction  
☐ Expansion at an existing facility (existing Duke Energy account number)  
☐ Replacing equipment due to equipment failure  
☐ Replacing equipment that is estimated to have remaining useful life of two years or less  
☐ Replacing equipment that is estimated to have remaining useful life of more than two

years

☒ Behavioral, operational and/or procedural programs/projects

B. Please describe your project, or attach a detailed project description that describes the project.

BYPASS THE CLEAN BOTTLE ACCUMULATION  
SYSTEM AND DECOMMISSION ASSOCIATED CONVEYORS

C. When did you start and complete implementation?

Start date / (mm/yyyy) End date / (mm/yyyy)

02/2017

05/2017

D. Are you also applying for Self Direct Prescriptive rebates and, if so, which one(s)<sup>5</sup>?

NO

E. Please indicate which worksheet(s) you are submitting for this application (check all that apply):

- ☐ Lighting  
☐ Variable Frequency Drive (VFD)  
☐ Compressed Air  
☐ Energy Management System (EMS)  
☒ General (for projects not easily submitted using one of the above worksheets)

F. List all assumptions about the baseline and proposed equipment energy use and operation schedule, or attach a document listing that information. Attach specification sheets for all proposed new equipment.

G. Attach a supplier or contractor invoice(s) and/or other equivalent information documenting the Implementation Cost for each project listed in your application.

Does the Implementation Cost include any internal labor<sup>6</sup>?

If yes, please specify which costs are internal labor.

PROJECT WRITTEN FOR \$35,000 → PARTS \$4235  
CONTRACT LABOR \$11,712

<sup>5</sup> If your project involves some equipment that is eligible for prescriptive rebates and some equipment that is likely eligible for custom rebates, and if it is feasible to separate the equipment for the energy analysis, then the equipment will be evaluated separately. If it is not feasible to separate the equipment for analysis, then the equipment will be evaluated together in the custom application.

<sup>6</sup> Internal labor costs cannot be counted in the Incremental Project Cost for purposes of analysis.


**Mercantile Self Direct  
Nonresidential Custom Rebate Application  
PART 1**



**3. Attestation, Terms and Conditions, and Signature (Required)**

**Attestation**

By signing below, I agree to the following:

I, **(INSERT NAME)** , do hereby consent to Duke Energy Ohio, Inc. disclosing my Duke Energy Ohio, Inc. Account Number and Federal Tax ID Number to its subcontractors solely for the purpose of administering Duke Energy Ohio's Mercantile Self Direct Program. I understand that such subcontractors are contractually bound to otherwise maintain my Duke Energy Ohio Inc. Account Number and Federal Tax ID Number in the strictest of confidence.

I have read and agree to the below Terms and Conditions of the Duke Energy Ohio's Mercantile Self Direct Program.

I certify that I meet the eligibility requirements of the Duke Energy Ohio's Mercantile Self Direct Program, as applicable, and that all information provided within my application is correct to the best of my knowledge.

I certify that the taxpayer identification number provided in my application is current and correct. I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding. I am a U.S. citizen (includes a U.S. resident alien).

**Instructions/Terms/Conditions**

Note: Please keep for your records

1. Energy service companies or contractors may assist in preparing the application, but an authorized representative of the customer must sign this application to be eligible to participate in the Mercantile Self Direct Program. Completion of this application does not guarantee the approval of a Self Direct Custom Rebate.
2. Once all documentation requested in this application is received by *Duke Energy Ohio, Inc.*, and any follow-up information requested by *Duke Energy* is received, the rebate amount for each Energy Conservation Measure (ECM) will be communicated to the customer. The rebate amount will be based on ECM energy savings and ECM incremental installation cost.
3. All rebates require approval by the Public Utilities Commission of Ohio (PUCO). *Duke Energy Ohio, Inc.* will submit an application for rebate on the customer's behalf upon customer attestation to program terms, conditions and requirements as outlined in the rebate offer letter and upon customer completion of attestation documents required by the Public Utilities Commission of Ohio.

## **Mercantile Self Direct Nonresidential Custom Rebate Application PART 1**



4. *Duke Energy Ohio, Inc.* will issue a Self Direct Custom Rebate check, based on the approved rebate amount for each ECM, upon receiving approval from the PUCO. *Duke Energy Ohio, Inc.* does not guarantee PUCO approval.
5. With the application, the customer must provide a list of all sites where the ECMs were installed. *Duke Energy Ohio, Inc.* requests that sites of similar size, hours of operation and energy consuming characteristics be grouped together in one application for the determination of the rebate amount. The application should identify the site where each unique ECM was installed.
6. Based on the information submitted with the application and the information gathered both before and after the initial installation of the ECM, *Duke Energy Ohio, Inc.* will calculate the rebate amount for each ECM.
7. *Duke Energy Ohio, Inc.* may conduct random site inspections of a sample of the locations where the ECMs are installed to verify installation and operability of the ECMs and to obtain information needed to calculate the Approved Rebate Amount.
8. Customers are encouraged to retain copies of all forms, invoices and supporting documentation for their records.
9. Approved rebates are valid for six months from the date communicated to the customer by *Duke Energy Ohio, Inc.*, subject to the expiration of measure eligibility based on project completion dates and application submission deadlines as defined by PUCO. Customers are encouraged to execute their rebate offer contracts and PUCO-required affidavits promptly to ensure eligibility is not forfeited.
10. *Duke Energy Ohio, Inc.* reserves the right to recover all unrecoverable costs associated with the project approval if the customer decides not to execute the rebate contract, after the project is approved by *Duke Energy Ohio, Inc.*
11. Projects financially supported by other funding sources will be evaluated on a case-by-case basis for potential partial funding from *Duke Energy Ohio, Inc.*
12. Participants must be *Duke Energy Ohio, Inc.* nonresidential, mercantile customers with the project sites in the *Duke Energy Ohio, Inc.* service territory.
13. Customers or trade allies may not use any *Duke Energy* logo without prior written permission.
14. Only trade allies registered with *Duke Energy* are eligible to participate.
15. All equipment must be new. Used or rebuilt equipment is not eligible for rebates. All old existing equipment must be removed on retrofit projects.
16. Unless used for decorative purposes only, all LED lighting products must be present on a current Design Lights Consortium (DLC) or Energy Star qualified product list.

**Mercantile Self Direct  
Nonresidential Custom Rebate Application  
PART 1**




17. Disclaimers: *Duke Energy Ohio, Inc.*

- a. does not endorse any particular manufacturer, product or system design within the program;
- b. will not be responsible for any tax liability imposed on the customer as a result of the payment of rebates;
- c. does not expressly or implicitly warrant the performance of installed equipment (contact your contractor for details regarding equipment warranties);
- d. is not responsible for the proper disposal/recycling of any waste generated or obsolete or old equipment as a result of this project;
- e. is not liable for any damage caused by the installation of the equipment nor for any damage caused by the malfunction of the installed equipment; and
- f. reserves the right to change or discontinue this program at any time. The acceptance of program applications is determined solely by *Duke Energy Ohio, Inc.*

**CUSTOMER SIGNATURE REQUIRED**

By signing below, I certify that I have read and agree to the above Mercantile Self Direct Attestation and Terms and Conditions.

Customer Signature			
Print Name	FREDERICK SCHMUHL	Date	3/26/19

**TRADE ALLY SIGNATURE (REQUIRED ONLY IF TRADE ALLY IS PAYEE)**

By signing below, I certify that I have read and agree to the above Mercantile Self Direct Attestation and Terms and Conditions.

Trade Ally Signature			
Print Name		Date	

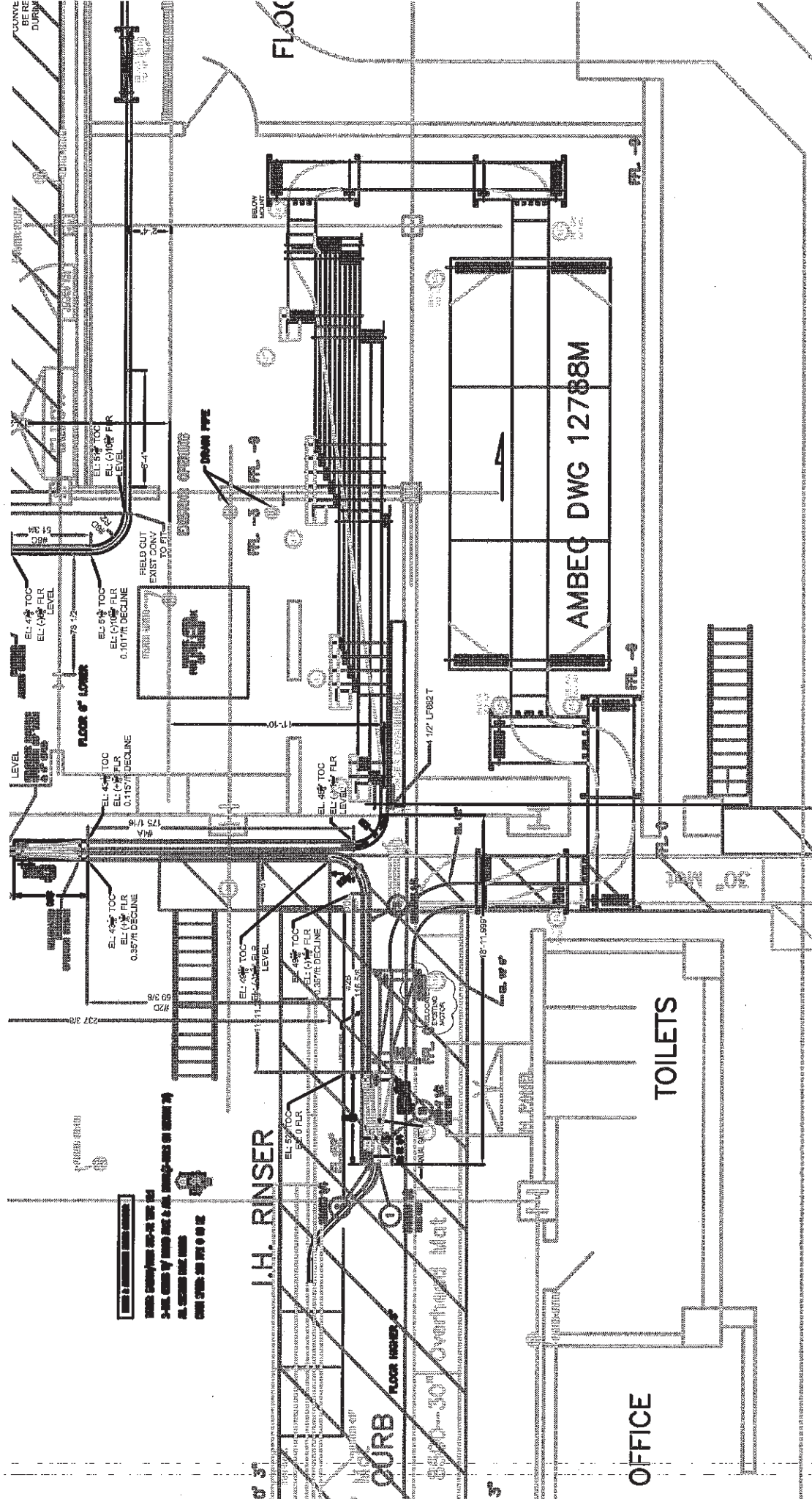
**CUSTOMER – AUTHORIZATION TO DESIGNATE TRADE ALLY AS PAYEE**

If an incentive is awarded and the customer would like to authorize payment to the trade ally, the customer must sign below to allow release of their incentive to the trade ally.

Required: Final invoice from trade ally to customer must show the incentive credited to the customer. If the itemized invoice does not reflect a deduction of the incentive amount, the payee will be changed to the customer.

Customer Signature			
Print Name		Date	





HIGHLIGHTED MOTORS/CONVEYORS HAVE BEEN REMOVED FROM SERVICE

Motor	Conveyor	Hp
M02	9	1.5
M3	10	1.5
M4	11	1.5
M5	12	1.5
M6	13	1
M7	14	2
M8	15	1.5
M9	16	2
M10	17	2
M11	18	1.5
M12	19	1.5

Total                      17.5                      4433.3 Production hours in 2018

Assuming 0.7457 kW/HP

Assuming 3/4 load

$$\begin{aligned}
 &17.5 \text{ Hp} \times 0.75 \times 0.7457 \text{ kW/HP} \times 4433.3 \text{ hr} \times \$0.077/\text{kWh} \\
 = &3341.037 \text{ in annual saving}
 \end{aligned}$$



### List of Sites (Required)

App No.	
Rev.	

**Provide a list of sites addressed by this custom incentive application**

[illegible]



For each project, answer the following questions (use one worksheet per project)

Project Name: **Bypass CBA/Decommission Conveyors**

App No. 0

Rev. 0

How would you classify this project? (Place an x in all boxes that apply.)

Lighting		Heating/Cooling		Air Compressor		Energy Management System	
VFD		Motors/Pumps		Process Equipment	x	Other, describe below:	

## Brief Project Description

Describe the Baseline Equipment/System <small>(see note 3)</small>	Describe the Proposed High Efficiency Project
Clean Bottle Accumulation system was designed as a surge volume of clean bottles in order to keep the filler running when there were problems with other upstream equipment (depal and/or empty bottle conveyors, rinser).	Install new bottle handling equipment and additional proximity switches to allow for the bottles to bypass the Clean Bottle Accumulation system. The remaining system would need to be reprogrammed to ensure proper bottle flow and line control to keep the filler infeed conveyor primed and packed.
If Existing Equipment is the Baseline, how many years of useful life remain or how many years until replacement?	
Detailed Project Description Attached? <b>Yes</b> (Required)	
NA	

Operating Hours (see note 4)

24 x 7	Weekday		Saturday		Sunday		Weeks of Use in Year (see note below)	Total Annual Hours of Use
	Start Hour	End Hour	Start Hour	End Hour	Start Hour	End Hour		
No	6:00 AM	10:00 PM	6:00 AM	4:00 PM	NA	NA	52	4,433

If the equipment is not in use 52 weeks during the year (for example, during holiday or summer break), provide an explanation of when usage is not expected and why:

NA

## Energy Savings

	Baseline <small>(see note 3)</small>	Proposed	Savings	Describe how energy numbers were calculated
Annual Electric Energy	43,390 kWh	0 kWh	43,390 kWh	Energy numbers were based on 2018 production time hours, motor name plate Hp converted to kW assuming 3/4 of full load.
Electric Demand	10 kW	0 kW	10 kW	
Calculations attached	Yes	Yes	(Required)	

## Simple Payback

Average electric rate (\$/kWh) on the applicable accounts <small>(see note 5)</small>	\$0.08
Estimated annual electric savings	\$3,354
Other annual savings in addition to electric savings, such as operations, maintenance, other fuels	\$104,675.00
Incremental cost to implement the project (equipment & installation) <small>(see note 6)</small>	\$35,000.00
Copy of vendor proposal is attached <small>(see note 7)</small>	Yes
Simple Electric Payback in years <small>(see note 8)</small>	10.43650503
Total Payback in years	0.323988238





One Design Center Place, Suite 850  
Boston MA 02210

Vendor: CDI

CDI ELECTRIC INC.  
PO Box 76531  
Highland Heights KY 41076

## Purchase Order

PO Number / Date:  
45152268 / Mar 07, 2017

Please Deliver To:  
Samuel Adams Cincinnati Brewery  
1625 Central Park Way  
Cincinnati OH 45214

Delivery Date: 03/07/2017  
Contact Person: Penn. Cap Assets  
Phone Number: 617.368.5000

Email Invoice To:  
ap.processing@bostonbeer.com

Please print PO number on all documentation related to this order.

Item	Material	Order Qty	Unit	Description	Price Per Unit	Net Value
00001		11,712.000	Each	Electrical Work for Clean Bottle Accum	1.00	11,712.00
Quote SACB Clean Bottle Accumulation Project based on Scope of Work Clean Bottle Accumulation Electrical Scope of Work excluding item #1 in scope of work.						
SACB1717 CBA Bypass						
Total Net Value USD						11,712.00
=====						

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Acceptance of this purchase order is subject to the Terms and Conditions of Purchase, which are attached hereto and incorporated herein by reference. Seller's performance of any service or provision of any goods pursuant to this purchase order shall be construed as acceptance of such Terms and Conditions unless otherwise specifically agreed to in writing.



CDI Electric Inc.  
2018 Uhl Road  
Crestview, KY 41076

2/15/2017

Samuel Adams Brewing Company, LTD.  
1625 central parkway  
Cincinnati, Ohio 45214

#### Regarding SACB Clean Bottle Accumulation Project

We propose to complete the work outlined. All work will be installed in accordance with the National Electrical Code.

Work will include:

- Provide a complete installation as described in the scope of work received 02/08/2017
- Swing gate and installation by others as per S.Furman
- Premium time included
- Programming by owner
- All new conduit and fittings will be stainless

Materials:	\$5,952.00
Labor:	\$5,760.00
Total:	<u>\$11,712.00</u>

## Clean Bottle Accumulation Electrical Scope of Work

1. Install a swing gate and prox on M7 discharge. Use input I:6/14. Use other prox swing gates in the vicinity as reference for part numbers and power wiring to the prox. Add to existing conduit for new wiring. See picture for new swing gate and prox location.



2. Run two 2 conductor shielded cables from the HK Filler PLC Panel to the Ambec PLC Panel.
  - a. Cable #1. Bottle Stop Interlock
    - i. Install a solid state relay in the Ambec PLC Panel. Crydom SSC800-25-24 or equivalent. A load resistor may be required.
    - ii. Wire HK Filler cable end to Local:4.O.Data.8 and 0 vdc comm.
    - iii. Wire Ambec cable end to solid state relay input. Observe polarity.
    - iv. Wire solid state relay output to +24 vdc and I:7/9 in Ambec PLC panel. Observe polarity. A load resistor may be required if leakage current is too high.
  - b. Cable #2. Filler speed signal.
    - i. Wire HK Filler cable end to Slot 2 channel 1. Observe polarity. Supply +24 vdc for the current loop.
    - ii. Wire Ambec panel end to slot 1 channel 1. Observe polarity.
3. Provide and install two ultrasonic sensors.
  - a. Sensors are to be wired to the Ambec panel.
  - b. Sensors shall match sensors already in use in this area.
  - c. Power wiring shall match wiring of other sensors already installed.
  - d. Sensors shall be aligned to the body section of a 12 oz bottle (between heel and shoulder).
  - e. Sensors shall be on an angle such that a gap is not detected between bottles when bottles are back to back (body panel gap won't be sensed).
  - f. Sensors shall be on an angle such that a gap is detected when a gap of ¼" exists shoulder to shoulder.
  - g. Sensor #1 shall be named PX13F.
    - i. Wire sensor to I:7/9.

- ii. Install sensor at the infeed end of M13 as close as possible to the rinser discharge.
- h. Sensor #2 shall be named PX1.
  - i. Wire sensor to I:7/10.
  - ii. Install sensor as close as possible to M1 Discharge (this might be incorrectly labeled as M23) but such that the bottles are fully on the filler infeed conveyor.
- 4. Move PX14C upstream. We need this ultrasonic to be as close as reasonably possible to the transfer point between M14 and M1. The bottle (or gap) sensed must be completely on M1 when detected. If a gap appears while running it will be used to speed up M14.

If you have any questions regarding this scope of work please feel free to contact me either by email or phone (610-391-4708).

Jeff Faust

Boston Beer Co.



7880 Penn Drive  
Breinigsville PA 18031

**Vendor:** RUMSEY

Rumsey Electric Company  
P.O. Box 824429  
Philadelphia PA 19182-4429

## Purchase Order

**PO Number / Date:**  
45155252 / May 19, 2017

**Please Deliver To:**  
Samuel Adams Pennsylvania Brewery  
7880 Penn Drive  
Breinigsville PA 18031

**Delivery Date:** 05/26/2017  
**Contact Person:** Penn. Cap Assets  
**Phone Number:** 617.368.5000

**Email Invoice To:**  
ap.processing@bostonbeer.com

Please print PO number on all documentation related to this order.

Item	Material	Order Qty	Unit	Description	Price Per Unit	Net Value
00001		508.200	Each	Capacitive Prox Sensors	1.00	508.20
				(qty 2) Capacitive Prox Sensor. Turck BC20-K40WDTC-VP4X2/S930		
				\$254.10/ea = \$508.20		
				As per quote S5121624		
				SACB1717 CBA Bypass		
Total Net Value USD						508.20
=====						

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Acceptance of this purchase order is subject to the Terms and Conditions of Purchase, which are attached hereto and incorporated herein by reference. Seller's performance of any service or provision of any goods pursuant to this purchase order shall be construed as acceptance of such Terms and Conditions unless otherwise specifically agreed to in writing.

## TERMS AND CONDITIONS OF PURCHASE ORDER

1. **Acceptance.** Neither Buyer nor Seller shall be bound by this Purchase Order until Seller expresses its acceptance of this Purchase Order, delivers to Buyer any of the Goods and/or renders Services covered by this Purchase Order, or fails to deliver written objection to this Purchase Order within five days after receipt, whichever first occurs. In any event, acceptance of the Purchase Order shall be upon the terms and conditions set forth herein. In the event that a previously executed agreement between the parties is in effect and a term or condition of such agreement conflicts with a term or condition of this Purchase Order, the term or condition of the agreement shall prevail. Any terms or conditions set forth on Seller's invoices, billing statements, acknowledgment forms or any other documents which are inconsistent with this Purchase Order are expressly rejected and shall be of no force or effect. Seller's acceptance of this Purchase Order is conditioned on Seller's acceptance of the terms and conditions contained herein. Buyer makes no representations regarding the number of Orders to be placed or volume of Goods to be ordered or Services to be rendered, beyond that specifically identified in a Purchase Order.
2. **Invoices & Payment.** All invoices and packing slips must show Purchase Order number, catalog or model numbers, address to which Goods and/or Services were shipped, shipper's name and address, routing, number of packages in shipment, case or carton numbers, batch or lot tracking numbers, totals of quantities of item number, size, color (where applicable) and Delivery Date. Invoices are to be mailed to: Accounts Payable Department, The Boston Beer Company, One Design Center Place, Suite 850, Boston, MA 02210 or delivered via email to [ap.processing@bostonbeer.com](mailto:ap.processing@bostonbeer.com). Should Buyer pay such invoices within ten (10) business days of receipt of a correct and proper invoice, Buyer shall receive a two percent (2.0%) discount, otherwise Buyer shall pay within forty-five (45) days from the later of (i) receipt of proper and correct invoice or (ii) delivery of all of the Goods and/or Services covered by this Purchase Order, unless otherwise specifically agreed to in writing by Buyer. Buyer may offset refunds or reductions from one Order with Seller against obligations under other Orders with Seller. Seller agrees to refund to Buyer any overpayments promptly upon discovery.
3. **Changes.** Prior to delivery, Buyer reserves the right to make written changes to this Purchase Order, including method of shipment or packaging, and time, place and manner of delivery. If any such change causes an increase or decrease in the cost or time required for performance of this Purchase Order, an equitable adjustment shall be made in the contract price or delivery schedule, or both. Seller shall promptly notify Buyer if an adjustment is anticipated. Any claim for adjustment under this clause must be approved by Buyer before Seller proceeds with such change. Price increases shall not be binding on Buyer unless evidenced by a Purchase Order revision signed by Buyer.
4. **Delivery.** Time is of the essence in this Purchase Order, and if delivery of Goods and/or Services is not made within the time specified, Buyer reserves the right, without liability and in addition to its other remedies, to direct expedited routing of Goods (the difference in cost between the expedited routing and the normal routing costs to be paid by Seller); or to terminate this Purchase Order by notice effective when received by Seller as to Goods not yet shipped and/or Services not yet rendered, and to purchase substitute Goods or Services elsewhere, in which event Seller shall be liable for any excess costs incurred by Buyer. Buyer reserves the right to refuse delivery of those Goods and/or Services delivered by Seller after the Delivery Date. Further, Buyer reserves the right to cancel this Purchase Order upon Seller's failure to provide Buyer with immediate written notice setting forth the cause and the approximate duration of such delay to Buyer. Buyer shall have no liability for payment for Goods delivered to Buyer which are in excess of quantities specified in this Purchase Order or for Goods and/or Services which Buyer refuses to accept delivery of in accordance with this section. Unless otherwise agreed to by Buyer, excess Goods and/or Services shall be subject to retention or rejection and return at Seller's expense, including transportation charges both ways and all incidental charges incurred by Buyer with respect thereto. Buyer shall not be liable for any excess costs incurred by Seller to meet Buyer's delivery schedule. Unless otherwise agreed to in writing by Buyer, Seller shall retain title to and risk of loss or damage to all Goods to be delivered hereunder until acceptance by Buyer at Buyer's facility. Seller must have and retain proof of delivery of any Goods.
5. **Shipment.** All shipments will be performed as set forth in the Purchase Order, or, if not specified in the Purchase Order, in accordance with the terms and conditions set forth in this section. Seller must have and maintain proof of Delivery. If a shipment of Goods both originates and ends within the United States and the Order for the Goods specifies an F.O.B. (location) delivery term, title and risk of loss pass at the specified F.O.B. location. If an Order specifies an international commercial shipment term published by the International Chamber of Commerce (an "Incoterm") as the applicable delivery term, title and risk of loss for the Goods will pass as defined by such Incoterm. All shipments are subject to inspection and acceptance as described in these Terms and Conditions. Seller will not insure any shipment beyond the point of title and risk transfer or include costs for such insurance in the price without Buyer's prior written approval. Seller will not ship multiple production lots under one Purchase Order without Buyer's prior written approval. Seller agrees to ship Goods with the longest available remaining shelf life (FIFO).
6. **Seller Performance.** Buyer's offer to purchase is based on Seller's representation that it has the ability and capacity to deliver Goods and/or Services which meet Buyer's intended purpose.
7. **Inspection and Acceptance.** Payment under this Purchase Order shall not constitute acceptance. All Goods and/or Services purchased hereunder are subject to inspection by Buyer at Buyer's destination, either before or after payment. Buyer reserves the right to refuse acceptance of Goods and/or Services which are not in accordance with instructions, specifications or Seller's warranties, express or implied. At Buyer's option, Goods which are nonconforming may be returned to Seller for full credit or replacement at Seller's risk and expense, including transportation charges both ways and all incidental charges incurred by Buyer with respect thereto. In the event such nonconforming Goods bear the trademarks and/or trade name of Buyer, Buyer may accept such Goods at fifty percent (50%) of the purchase price or require destruction of such Goods at Seller's expense subject to Buyer's verification of such destruction unless other terms are expressly agreed to in writing by Buyer. Buyer may also elect to require Seller to bring such non-conforming Goods or Services into compliance at Seller's sole expense. Seller shall not replace rejected Goods unless Buyer specifically requests replacement in writing. Buyer's acceptance of any or all of the Goods shall not bind Buyer to accept any future shipments, nor shall such acceptance be deemed a waiver of Buyer's right to cancel or to return all or any portion of the Goods because of failure to conform, by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing costs, damage to materials or articles caused by improper packing and loss of profits or other special damages occasioned by the Buyer. Such rights shall be in addition to any other remedies provided by law.
8. **Packing and Containers.** No charges for packing, containers or transportation will be passed on to Buyer unless specified on the face of this Purchase Order. The Goods shall be packaged to prevent damage and deterioration during shipment and storage, using best commercial practices. Seller shall be liable for all damages to materials or articles caused by improper boxing, crating or packing.
9. **Seller's Warranties.** Seller hereby warrants that all of the Goods furnished shall be of merchantable quality and shall be fit for Buyer's purposes and shall conform to Buyer's specifications (where applicable). Seller warrants that all Goods and/or Services furnished will conform to all representations, affirmations, promises, descriptions, samples or models forming the inducement to issue this Purchase Order. Seller warrants that in the performance of this Purchase Order, it shall have complied with all applicable laws of the federal government or of any state or municipal government laws, rules, regulations, codes, orders, ordinances, guides, standards and testing requirements thereunder (including, without limitation, Executive Order 11246, the Federal Trade Commission Act, Textile Fiber Products Identification Act, Hazardous Substances Act, Consumer Products Safety Act, Consumer Product Safety Improvement Act, Flammable Fabrics Act, Fair Packaging and Labeling Act and the Food, Drug and Cosmetics Act, The California Transparency in Supply Chains Act) and that such Goods and/or Services shall not infringe or encroach upon any third parties' personal, contractual or property rights, including without limitation, patents, trademarks, trade names, copyrights, trade dress, rights of privacy or publicity, trade secrets, or constitute unfair competition. Seller warrants and guarantees that all Goods delivered are free and clear of liens, claims, or encumbrances arising or resulting from the acts or omissions of Seller or anyone claiming by or through Seller. Seller warrants and guarantees that qualified personnel shall perform all Services in a professional and workmanlike manner, in accordance with the highest industry standards. Seller warrants that all Goods will be manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, slave labor and human trafficking laws, wage and hours laws and workplace safety laws. Seller further warrants that it will sign and deliver on a timely basis any documents or forms (such as an IRS Form W-9) which may be reasonably required by the Buyer for compliance with local, state and federal law. All warranties, expressed or implied, shall survive inspection, acceptance, and payment by Buyer.



10. **Indemnification.** (a) Seller shall indemnify and hold Buyer harmless against any loss, liability, expenses, costs (including reasonable attorneys' fees), judgments or damages arising, directly or indirectly, from any claim, action or suit, actual or threatened, whether groundless or otherwise, of whatever nature, including, but not limited to, infringement of any patent, trademark or copyright, claim of unfair competition, claim of defect or that the Goods and/or Services are not of merchantable quality or fit for the purpose intended, claim of breach of express or implied warranty, claim for injury or loss by an eventual purchaser or any other person alleged to result from any defect in the Goods and/or Services, or from breach of any term, condition or provision of this Purchase Order, including, without limitation, Seller's representations, warranties and guarantees. (b) In the event any such claim, action or suit is made or instituted against Buyer, Seller shall: (i) at Buyer's option, either (x) reimburse Buyer the costs and expenses incurred in defending such claim, action or suit, or (y) defend Buyer, at Seller's sole cost and expense, employing counsel selected by Buyer; (ii) as applicable, consult with Buyer and keep Buyer fully advised of the progress of all proceedings; (iii) make no admissions or otherwise act in a manner which might be prejudicial to Buyer's rights; and (iv) neither settle nor discuss settlement or consent to any judgment, order or decree without Buyer's prior written approval. In the event that Seller shall fail to undertake such defense within a reasonable time after receiving notice of such claim, action or suit, Buyer may undertake its own defense without affecting in any manner its right to indemnification under this Purchase Order.
11. **Confidentiality.** Seller acknowledges that it may acquire information and materials about Buyer, including, but not limited to, its business plan, product design, marketing programs, experimental works and lists of its customers and suppliers. Seller acknowledges that all such knowledge, information and material so acquired are the trade secrets and confidential and proprietary information of the other party (hereafter "Confidential Information"). Seller agrees, during and after the term of this Agreement, to hold such Confidential Information in strict confidence and not to disclose it to others or use it in any way without the other party's prior written authorization. Seller further agrees to take all reasonable precautions to protect the confidentiality of the Confidential Information, including, without limitation, implementing and enforcing operating procedures to minimize the possibility of unauthorized use or copying of the Confidential Information. However, Seller may disclose Confidential Information without such authorization to an employee or agent of Seller who must have such information to perform its obligations under this Agreement, provided that the employee or agent has been advised of the confidential nature of such information. Seller warrants that it shall prevent disclosure or use of any Confidential Information in producing products for others.
12. **Insurance.** Seller shall be solely responsible for maintaining adequate product liability, auto, workers' compensation, unemployment compensation, liability, and other insurance, as is required by law or as is the common practice in Seller's business, whichever affords greater coverage. This coverage shall be endorsed to name the Buyer and each of its subsidiaries and affiliates as additional insureds, and to evidence such endorsement. Insurance shall be procured from an insurance carrier with at least a A-, VIII rating from A.M. Best Company, Inc. Buyer's waiver of any insurance requirements must be in writing. Upon request, Seller will provide to Buyer a certificate of all required insurance coverage.
13. **Patents, Trademarks, Trade Names, Advertising.** Seller hereby irrevocably transfers, grants, conveys, assigns and relinquishes exclusively to Buyer all of its right, title and interest in and to the Goods created or developed by Buyer for Seller under the Purchase Order, including, but not limited to any and all Intellectual Property Rights in and to the Goods. Intellectual Property Rights shall mean all works of authorship, copyrights, inventions, improvements, patents (including all reissues, continuations-in-part, revisions, extensions, and reexaminations thereof), specifications, databases, trademarks, service marks, logos, domain names, mechanical features, product designs, package designs, trade names, trade dress, trade secrets and other proprietary rights. To the extent applicable under U.S. copyright law, the parties hereby designate the Goods, and/or any portion or element thereof, as "works made for hire" specially ordered or commissioned by Buyer, and the Goods shall, upon creation, be owned exclusively by Buyer. Buyer shall be considered the sole author of the Goods for purposes of copyright and moral rights and shall have the sole right to copyright the Goods in its own name or in any name it selects. The Intellectual Property Rights and all other rights in and to the Goods may only be used by Seller to fulfill this Purchase Order. Seller shall not, without the prior written consent of Buyer, advertise or publish in any manner the fact that Seller has contracted to furnish Buyer the Goods, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials.
14. **Cancellation.** Buyer shall have the right to cancel all or any portion of this Purchase Order upon Seller's breach of any term appearing in this contract; or if Seller is adjudicated bankrupt or commits an act of bankruptcy; or if any warranty or representation made by Seller is false in any material respect. Such right of cancellation is in addition to, and not in lieu of, any other remedies which Buyer may have. Seller shall return all partial payments made by Buyer for work not completed at the time of termination. Buyer reserves the right to recover from Seller actual damages incurred by Buyer as a result of Seller's default.
15. **Convenience.** Buyer reserves the right to cancel any Order for any reason upon fifteen (15) days advance notice to Seller. In the event of such cancellation by Buyer, Buyer shall compensate Seller for all reasonable work performed up to the effective date of cancellation and for all Goods produced and/or Services rendered up to the date Seller received notice of cancellation, and Buyer shall have no further liability to Seller, including, without limitation, no liability for consequential damages or lost profits.
16. **Waiver.** Failure of Buyer to require performance of any of the terms, covenants or conditions of this Purchase Order or to exercise any right hereunder shall not be construed as a waiver of the future performance of any such terms, covenants or conditions, or the further exercise of such right, and the obligation of Seller with respect to such future performance shall continue in full force and effect.
17. **Assignment.** No work under this Purchase Order shall be assigned by Seller, nor shall Seller subcontract for completed or substantially completed Goods which are the subject of this Purchase Order without the prior written consent of Buyer.
18. **Governing Law and Venue.** This Purchase Order shall be adjudicated in and construed in accordance with the laws of the Commonwealth of Massachusetts.







**\*\*QUOTATION\*\***

2459 BAGLYOS CIRCLE  
LEHIGH VALLEY INDUSTRIAL PARK VI  
BETHLEHEM, PA 18020-8025

QUOTE DATE	QUOTE NUMBER
05/18/17	S5121624
ORDER TO: RUMSEY ELECTRIC 2459 BAGLYOS CIRCLE LEHIGH VALLEY INDUSTRIAL PARK VI BETHLEHEM, PA 18020-8025	
Phone: 610-882-2222 Fax: 610-882-2258	Pg 1 of 1

QUOTE TO:

SAMUEL ADAMS PENNSYLVANIA BREWERY  
c/o BOSTON BEER CORPORATION  
1 DESIGN CENTER PLACE SUITE 850  
BOSTON, MA 02210-2300

SHIP TO:

SAMUEL ADAMS PENNSYLVANIA BREW  
7880 PENN DRIVE  
BREINIGSVILLE, PA 18031-1508

CUSTOMER NUMBER		CUSTOMER ORDER NUMBER		RELEASE #/JOB NAME		SALESPERSON		ORDERED BY	
60639		PASTORERROOM				PMURGIA		SCOTT GALE	
INSIDE SALES		SHIP VIA		TERMS		SHIP DATE		FREIGHT ALLOWED	
KANDREAS		2CUPS		Net 30 Days		05/18/17		No	
LN	ORDER QTY	DESCRIPTION				UNIT PRICE		NET AMOUNT	
1	1ea	TURCK M2510100 BC20-K40SR-VN4X2 W/M16X1.5 **NS**				226.22ea		226.22	
2	1ea	TURCK M2510105 BC20-K40WDTC-VP4X2/S930 **NS**				254.10ea		254.10	
THIS IS A QUOTATION TAXES NOT INCLUDED! Refer to <a href="http://www.Rumsey.com/contactus/creditapp">www.Rumsey.com/contactus/creditapp</a> for Terms and Conditions						Subtotal		480.32	
						S&H CHGS		0.00	
						Amount Due		480.32	





One Design Center Place, Suite 850  
Boston MA 02210

Vendor: CHANGE

Change Parts, Inc  
185 S. Jebavy Drive  
Ludington MI 49431

## Purchase Order

PO Number / Date:  
45152775 / Mar 22, 2017

Please Deliver To:  
Samuel Adams Cincinnati Brewery  
1625 Central Park Way  
Cincinnati OH 45214

Delivery Date: 05/15/2017  
Contact Person: Penn. Cap Assets  
Phone Number: 617.368.5000

Email Invoice To:  
ap.processing@bostonbeer.com

Please print PO number on all documentation related to this order.

Item	Material	Order Qty	Unit	Description	Price Per Unit	Net Value
00001		4,235.000	Each	Rails for 12 oz. CBA Bypass project	1.00	4,235.00
	Part No 21-0548					
	- Conveyor rails to run 12 oz bottles, Diverter 1A & 1B					
	As per quote 0024139					
	SACB1717 CBA Bypass					
Total Net Value USD						4,235.00
=====						

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Acceptance of this purchase order is subject to the Terms and Conditions of Purchase, which are attached hereto and incorporated herein by reference. Seller's performance of any service or provision of any goods pursuant to this purchase order shall be construed as acceptance of such Terms and Conditions unless otherwise specifically agreed to in writing.



185 S. Jebavy Drive  
Ludington, MI 49431  
Ph 231-845-5107  
Fax 231-843-4907  
www.changeparts.com

# QUOTATION

*Specializing in Packaging Equipment and Parts*

**TO:**

THE BOSTON BEER COMPANY  
ONE DESIGN CENTER PLACE  
SUITE 850  
BOSTON, MA 02210  
( ) -

**SHIP TO:**

SAMUEL ADAMS BREWING  
1625 CENTRAL PKWY  
CINCINNATI, OH 45214  
(513) 412-3254

MINIMUM ORDER IS \$75.00

Attr: SERGIO POSADA - SERGIO.POSADA@BOSTONBEER.COM

Attr: SERGIO POSADA - SERGIO.POSADA@BOSTONBEER.COM

Quote No.		Date	Cust No	Salesperson	Payment Terms	Delivery Promise	F.O.B.	Expiration
0024139		9/23/2016	SAM005	LORNE SPARKS	NET 30 DAY	6-8 WKS AFTER PO & SAMPLES	LUDINGTON, MI	30 DAYS
Item	Qty	UM	Part	Description			Price \$	Extension \$
001	1.00	EA	21-0548	LINE: SPEED: 1; 900 BPM  CONVEYOR RAILS TO RUN THE 12 OZ BOTTLE -DIVERTER 1A -DIVERTER 1B  STANDARD ENGRAVING: CUSTOMER TO ADVISE COLOR: ADVISE			4235.00	4,235.00
Total for Quote US \$								4,235.00



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Item	Qty	UM	Part	Description			Price \$	Extension \$
				PLEASE NOTE: 1) THIS IS A BUDGETARY QUOTATION ONLY PENDING EVALUATION OF SAMPLE CONTAINERS. 2) PLEASE SPECIFY THE ENGRAVING REQUIRED ON THE PLASTIC COMPONENTS AND THE COLOR DESIRED FOR THE PLASTIC COMPONENTS UPON PLACING A PURCHASE ORDER 3) CPI REQUIRES ONE DOZEN SAMPLE CONTAINERS TO DESIGN AND MANUFACTURE THE PARTS 4) PLEASE E-MAIL BOTTLE DRAWINGS IN .DXF FORMAT, IF AVAILABLE				



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Item	Qty	UM	Part		Description		Price	Extension
							\$	\$

## Change Parts, Inc. Terms and Conditions

### 1. Offer and General Provisions

- This quotation is an offer by Change Parts, Inc. ("Change Parts"), a Michigan corporation, to sell to the buyer identified in this quotation ("Buyer") the products and/or services described in it in accordance with these Terms and Conditions ("Terms and Conditions"), it is not an acceptance or confirmation of any offer made by Buyer, and it is expressly made conditional on assent to these terms and conditions.
- No prior or subsequent oral or written statements made by either party or their respective employees, agents or representatives, purporting to modify or add to the terms and conditions of this agreement shall be binding unless consented to in writing by duly authorized representatives of both the Buyer and Change Parts. Change Parts objects to any additional or different terms and conditions contained in any request for quotation, request for proposal, purchase order, notice of award or other form, document or communication previously or subsequently received from Buyer.
- Buyer represents and warrants that no representations or warranties other than those contained in this agreement have been made or relied upon.

### 2. Samples and Other Material

- Buyer shall, at its sole expense, supply layouts, drawings, technical specifications, samples, product specifications and any other data and materials necessary or appropriate for Change Parts to design and engineer the products and/or services. Buyer agrees to provide a minimum of eight (8) samples of all materials (bottle, containers and closures) unless another quantity is requested by Change Parts. All drawings of samples must be submitted in IGES file formats. Receipt of each product sample is subject to approval by Change Parts and product samples shall be accompanied by an appropriate Safety Data Sheets (SDS) (formerly Material Safety Data Sheets (MSDSs)). Buyer represents and warrants that product samples shipped to Change Parts will not be flammable, explosive, radioactive, or toxic. Buyer will be responsible for the conformance of shipment of these items to all applicable state, federal and local regulations and will supply Change Parts proper documentation for these items as required.
- Buyer shall submit all samples and other materials as soon as reasonably possible, but no later than five (5) business days after Buyer accepts this quotation and submits its order. Any changes or variation between drawings and samples and actual production materials shall be the sole responsibility of the Buyer and delays resulting from changes shall extend the delivery date.

### 3. Price

The purchase price payable to Change Parts for the products and/or services will be set forth in Change Parts quotation, subject to adjustment as contemplated by these Terms and Conditions. All prices are subject to change by Change Parts any time prior to acceptance of the Buyer purchase order. All prices are quoted and payable in U.S. Dollars unless otherwise specified in writing by Change Parts. Quoted dollar amounts are subject to revision upon examination by Change Parts of final samples and other materials, which may increase or decrease the final purchase price based upon (among other things) the specific geometry, sample quality and resulting complexity. In such cases, Change Parts will notify Buyer of such changes by sending a revised quotation.

### 4. Payment Terms

- An existing Buyer (approved credit terms) will pay the purchase price due and owed as follows:
  - Change parts (including bottle handling, cap handling and parts carts) and replacement parts:
    - Orders less than \$10,000 (prior to applicable freight, duty, insurance, taxes and other applicable charges) will be invoiced at "net 30" days.
    - Orders greater than \$10,000 (prior to applicable freight, duty, insurance, taxes and other applicable charges) will require a 50% down payment with the balance due "net 30" days after shipment.
  - "As Is" Used Equipment will require 100% paid prior to shipment.
  - New and Rebuild Equipment will require a 50% down payment, with the remaining 50% due as follows: 40% due prior to shipment and the final 10% due "net 30" days after shipment.
  - Services, including installation, will be billed immediately after the services are provided with the balance due "upon receipt".
- A new Buyer (pending or unapproved credit terms) will be required to pay 100% in advance of shipment.
- A Buyer outside of the United States and Canada will be required to pay 100% in advance of shipment.
- Buyer grants Change Parts a security interest in all products (which are described in the order acknowledgement and invoice) to secure payment of the purchase price and all other fees and amounts, which are or become due and payable to Change Parts. In the event of non-payment in breach of this agreement, or disposition or transfer of any products to a third party, Change Parts shall be entitled to foreclose on its security interest in the products. Change Parts is authorized to file any financing statement or other documents to perfect its security interest granted in the agreement, including a UCC filing in a form that is satisfactory to Change Parts. Buyer shall, upon request, provide Change Parts with a legal description of the location where the products are installed or stored. Change Parts security interest in the product shall terminate upon full and final payment of all amounts due and owing.

### 5. Payment Form

Acceptable payment forms include ACH, check, credit card (American Express, Visa or MasterCard) or wire. If Buyer elects to pay by credit card an additional fee of up to 3% may be assessed on the amount of the payment. If Buyer elects to pay by wire transfer an additional \$50 fee will apply.

### 6. Late Payments

Buyer agrees to pay interest at the lesser rate of eighteen percent (18%) per annum, or at the highest rate permissible under applicable law, on amounts not paid when due and further agrees to reimburse Change Parts, upon demand, for all costs, including attorneys fees and legal costs, incurred by Change Parts in the collection of any amounts owed to Change Parts.

### 7. Insolvency

If the Buyer is or becomes insolvent or is unable to pay its obligations, ceases doing business or becomes subject to any proceedings under any bankruptcy, insolvency, reorganization or arrangement, statute or law, such act shall, at the sole option of Change Parts, be deemed a default under this agreement, and Change Parts may elect to cease performing and cancel this contract with respect to any product and/or service not delivered or received prior to the election. All of the foregoing shall be without prejudice to recovery by Change Parts of damages for work performed and for loss of profits and material and equipment delivered.

### 8. Taxes and Duties

Sales tax, use tax, excise tax and all similar taxes, customs duties and fees are not included in the purchase price. These charges are in addition to the purchase price and are the sole responsibility of Buyer, and Change Parts shall have the right at any time to separately invoice Buyer for any such charges that Change Parts may have paid or been requested to pay. Buyer shall upon receipt of such invoice pay Change Parts the amount invoiced. For any charges to which the Buyer is exempt, if Change Parts has not yet paid the charge, then Buyer may provide a valid exemption certificate.

### 9. Shipment and Delivery

- All sales are FOB origin of shipment. Buyer shall bear all expenses paid or incurred by Change Parts in delivering the products and/or services, including skidding and crating charges, where applicable. In the absence of shipping instructions, the products and/or services are to be shipped by any means deemed appropriate by Change Parts, and the products and/or services are at the risk of the Buyer from the point of shipment origin and Buyer assumes all responsibility for shortage, loss, delay and damage occurring in shipment.
- All delivery dates are estimates only. Change Parts shall not be liable to Buyer for any failure or delay in performance or for any damages suffered by the Buyer by reason of such failure or delay arising from any cause not within the Change Parts reasonable control.
- Change Parts does not control certain aspects of a project, including, but not limited to, the prompt processing of progress payments by Buyer, supply of container and product samples, and Buyer understands that these risks are not the responsibility of the Change Parts and that failure of Buyer to provide any of these items may result in delays.
- Delays in shipment caused by, or at the request of, the Buyer will result in the assessment of storage and handling costs equal to the greater of 2% of the order amount per month or the actual incurred storage and handling costs.



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Item	Qty	UM	Part	Description	Price	Extension	
					\$	\$	

## 10. Inspection and Acceptance

Buyer shall have the right to inspect any item prior to shipment during normal business hours at Change Parts location without interference with Change Parts ongoing business. The inspection shall be conducted at Buyer's sole expense, and any entry and inspection shall be the sole risk of Buyer. If buyer is not satisfied with the results of the inspection, Buyer may give written notice to CPI of its dissatisfaction within one (1) calendar day. If written notice is provided by Buyer, Change Parts will have a reasonable amount of time to remedy any defects. Where an inspection at Change Parts is not feasible, the products (excluding machines) will be deemed finally inspected and accepted within five (5) calendar days after Buyer receipt unless written notice of a claim is given to Change Parts within such time period. If Buyer waives the right to do a machine inspection or in-plant run off of a machine, Buyer accepts the machine at the time of shipment.

## 11. Installation and Training

Installation and training is not included in the purchase price for the products. These services must be provided separately by Change Parts or another party at the discretion of the Buyer. The parties acknowledge and agree that final adjustment of the product into the facility in which the products are to be incorporated must be performed. Change Parts recommends that the installation be performed by Change Parts. Buyer further acknowledges that fine tuning and adjustments of the products require additional time following delivery and installation. Buyer is responsible to plan its production requirements accordingly.

## 12. Cancellations

Cancellation of a purchase order, or suspension of a contract by Buyer, will require full indemnification of Change Parts against loss, including recovery of all direct costs incurred, attendant normal indirect and overhead charges and a reasonable profit.

## 13. Returns

Returned materials will only be accepted on prior written authorization from Change Parts and must be shipped to Change Parts prepaid. Items accepted for returns will be assessed a 20% restocking fee.

## 14. Safety

Buyer assumes responsibility for the safe operation of product in accordance with sound safety practices. Buyer shall use and require its employees to use any and all safety devices, guards, signs, instructions and safe operating procedures required by law, regulation, code or applicable safety standard or by Change Parts and agrees not to remove, disconnect, disassemble or nullify any of the safety devices provided with or which are a part of Change Parts equipment. Buyer agrees that any such action constitutes a substantial change in Change Parts product. The Buyer shall indemnify and hold harmless Change Parts from all claims for damages and injuries advanced by any and all parties injured through a breach of this section.

## 15. Specifications

Change Parts reserves the right to alter the design or specifications of its product any time prior to delivery so long as such alteration does not materially change the basic function of the merchandise or increase the purchase price.

## 16. Governing Law

Buyer agrees that any disputes that may arise out of the execution of this agreement will be resolved in accordance with the laws of the State of Michigan.

## 17. Limited Warranty

- Product, with the exception of "as is" used equipment and wear parts, is sold with a six (6) month warranty on parts and labor. The warranty term begins the earlier of six (6) months from start up or seven (7) months from shipment and is based on a single shift at eight (8) hours per day. The warranty covers components and parts manufactured by change parts determined to be defective by our technicians. Commercial components supplied by a change parts vendor, which are covered by the vendor warranty, will not be covered by the change parts warranty.
- Service, including installation, is sold with a six (6) month warranty on parts and labor. The warranty term begins immediately upon completion of the service and is in effect for six (6) months and is based on a single shift at eight (8) hours per day.
- "as is" used equipment and wear parts are sold without a warranty. Change parts does not make or assume any warranty, whether statutory, by operation of law, or otherwise, express or implied, with respect to the equipment, or with respect to the merchantability or fitness of such equipment for any purpose or any other warranties. Change parts does not warrant conformance to any plans or specifications of buyer, or buyers agents or representatives, or that the equipment meets any requirements of any country, federal, state or local laws, regulations or ordinances pertaining to safety or insurance requirements, and there is no obligation of change parts related to the non-conformity of the equipment.

## 18. Binding Effect

The terms and provisions of this agreement are binding on and shall inure to the benefit of the parties and their respective heirs, representatives, successors, and permitted assigns.

## 19. Severability

If any provision of this agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this agreement.

## 20. Force Majeure

Change Parts shall not be deemed to be in default by reason of any failure in delivery due to unforeseeable cause beyond our control, including but not limited to acts of God, acts of a foreign enemy, war, act of government, fires, floods, quarantine restriction, strikes, freight embargoes and unusual weather conditions.

## 21. Contractual Statute of Limitations

Any action, by Buyer, for breach of this contract cannot be brought more than one (1) year after the accrual of the cause of action.

## 22. Indemnification

- Change Parts will not be liable for any loss of profit, loss by reason of plant shutdown, non-operation or increased expense of operation, loss of product or materials, or claims against Buyer by any third party, or any special, indirect, incidental, or consequential damages, even if it was advised, knew or should have known of the possibility of some damages or claims arising out of any breach of contract or caused directly or indirectly by the product operation or failure, the delivery, repair, service, or maintenance of the product, or the interruption or loss of use of the product. In any event, no action, regardless of form, may be brought by Buyer more than six (6) months after delivery of the product to Buyer.
- Buyer's exclusive remedy, in lieu of all other remedies, statutory or otherwise, shall be limited to the refund of any purchase price for the product supplied by and paid to Change Parts. Buyer's failure to promptly notify Change Parts in writing of any claim shall constitute a waiver and release by Buyer of any and all claims arising against Change Parts in connection with the product or service. The provisions of this paragraph will survive the parties' contract.
- Buyers failure to maintain or store product in a reasonable manner, operate product without appropriately trained employees, agents or representatives or to modify or repairs product without the written consent of Change Parts may, at the sole discretion of Change Parts, invalidate the warranty.
- Buyer will defend, indemnify and hold harmless Change Parts and its affiliates from and against all claims (including but not limited to reasonable attorneys' fees and cost of investigation), which may be sustained by Buyer, the Buyer's employees, or Change Parts, or Change Parts employees, or third persons, and arising out of or in connection with the purchase, handling, use, resale or disposal of the product, but excluding only claims which are found to have resulted solely from acts negligently committed by Change Parts and not contributed to by the negligence of the Buyer or its employees. The provisions of this paragraph will survive the parties' contract.

## 23. Title and Headings

Titles and Headings are inserted in this agreement for reference purposes only, and must not be used to interpret the agreement.