



21 Davidson Creek Road
Durango, Co 81301
970-259-0521

POLICY

TO: Contractor Customers

FROM: David Hall/Barrett Potthoff

SUBJ: NOTICE OF BUSINESS PRACTICES/POLICIES FOR SOUTHWEST APPLIANCE(SWA)

As the new owners of (SWA), Dave and Barrett are committed to excellence, accountability, and continued professional relationships with contractors and retail customers. We are excited to work with all of you and strive to a mutually beneficial, productive business relationship. We are open to respectful conversation and constructive problem solving with our customers in our community. For full transparency, the information below is implemented in an effort to create a more efficient and productive process for us all. We understand that concerns may come up and as with all change, there are wrinkles. We are open to hearing concerns and thoughts in an open and respectful manner.

1. Contractor related business-

a. Product pricing:

- i. Pricing will stay same for all contractors with contractor accounts.
- ii. Pricing on initial estimates is guaranteed for 60 days, may be subject to change if market prices change during period of time between initial estimate and initiating of Work Order.
- iii. Quote pricing may change in some instances, see Product Housing section of this memorandum.

b. Product ordering:

- i. Product will be ordered with a set date of project need; this will be a date chosen by contractor to coincide with their project. Notice of delays should be made as soon as possible to Southwest Appliance to avoid warehousing issues
- ii. Prior to Southwest Appliance (SWA) product ordering, e-mail confirmation with contractor is required to determine if set date is still valid.

c. Product payment:

- i. 50% of order payment is due at time of estimate changing to Work Order status, for tickets that are ready within two weeks of order, 100% should be paid.
- ii. Payment of products will be due at time of arrival at SWA, this may change with warehousing cost if applicable.
- iii. Customers will be allowed a NET 30 for invoices sent, anything beyond 30 days will be assessed with a 18% late fee.
- iv. Financial responsibility for products ordered is not transferrable from time of Work Order build.

d. Product warehousing:

- i. Warehousing costs may be applied in special circumstances.
- ii. Once product has arrived, notice will be given to contractor as to its arrival, in some cases this only applies to a portion of the total Work Order.
 1. Confirmation will be made as to status of contractor's project and if they had ability to take anything early, it would be scheduled for delivery.

- iii. If product has arrived and the contractor set date gets moved back without communication with SWA about the projected date moving, warehousing options will be needed to be set as stated below:
 1. Contractor can have product delivered to a location for storage by them or an arrangement made by them. When the time comes for these products to be installed, it can be scheduled with SWA and we will fulfill this part of our agreement.
 2. Arrangements can be made with SWA to have a storage container delivered to a location of their choosing and utilized as storage until installation is needed (container delivery, removal and monthly fees will be paid by contractor). Installation of appliances will still be conducted by SWA when scheduled with SWA.
 3. SWA will warehouse product for a monthly fee of \$100.00 per item, per month, one month minimum.

e. Product delivery:

- i. Product delivery includes delivery, installation(of specific items only), trash removal, and old appliance removal.
 1. Our Delivery personnel will not install the following:
 - a. Dishwashers
 - b. Gas ranges (or other gas supplied appliances)
 - c. Hoods
 - d. Counter mounted appliances, i.e. microwaves, convection ovens, coffee makers, etc.
 - e. Any other appliances that require a technician to install
 2. Appliances that require technicians to install(i.e. Column or built-in Refrigeration) will need to be scheduled to have technicians there and additional charges will apply.
- ii. Products that have been delivered to an alternate storage location will be retrieved and installed at a later scheduled time per our standard agreement of delivery and installation.
- iii. Product delivery fees may vary, are subject to change. Current pricing will be applied by delivery geographical location as follows:

Delivery fee	Travel time	Distance in miles	Items included	Price per additional item
\$100	30	25	2	\$15
\$200	60	50	3	\$15
\$300	90	75	3	\$15
\$400	120	100	3	\$15
\$500	150	125+	3	\$15

f. Product returns:

- i. SWA error
 1. For items returned due to SWA error items will be returned at no cost to the customer and reconciliation of item will be made in the most expedient manner possible.
- ii. Shipping error/damaged appliances
 1. Upon delivery, inspection of product will occur and if there is factory or shipping damage that requires for the item to be returned, another product will be ordered immediately upon notification to SWA leadership.
 2. For items that can be repaired, parts and service will investigate, order parts needed and install them without charge.
- iii. Contractor error

1. Each situation will be addressed on its own circumstance. For qualifying items SWA will return items that are unboxed for a 25% restocking fee. Specialty items will be addressed in a case-by-case basis.
- iv. Hoods return
 1. The only situation that a hood will be eligible for return is in an instance of SWA error.