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POLICY

TO: Builder Customers
FROM: David Hall/Barrett Potthoff
SUBJ: NOTICE OF BUSINESS PRACTICES/POLICIES FOR SOUTHWEST APPLIANCE(SWA)

As the owners of (SWA), we 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 builders with builder 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 policy.

b. Product ordering:

- i. Product will be ordered with a set date of project need; this will be a date chosen by builder 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 builder is required to determine if set date is still valid.

c. Product payment:

- i. 50% of order payment is due at time of Order, for tickets that are ready within two weeks of order, 100% should be paid.
- ii. Payment in full of products will be due at time of product arrival, 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. Exemption upon approval through communication with Southwest Appliance.
- iv. Financial responsibility for products ordered is not transferrable from time of Work Order build.

d. Product warehousing:

- i. Warehousing costs may be applied or suspended in special circumstances.
- ii. Once product has arrived, notice will be given to builder 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 builder's project and if they had ability to take any items, it would be scheduled for delivery.
- iii. If product has arrived and the builder 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. Builder 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 builder). 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.
4. Warehousing fees are negotiable but must be communicated within the first 30 days of arrival, if warehousing is needed, payment for appliances will be paid in full.

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. Hoods/downdraft ventilation
 2. Appliances that require our install technicians to install(i.e. Column or built-in Refrigeration, dishwashers, gas appliances, etc) 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.

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/swap 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. Product will be delivered upon receipt from manufacturer.
 2. For items that can be repaired, parts will be ordered they will be replaced 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. Some custom items may not be eligible for return.
- iv. Hoods return
 1. The only situation that a hood/downdraft will be eligible for return is in an instance of SWA error or Damaged upon arrival.