



SOLOMON CORPORATION

Powerful Transformer Solutions

Established 1971

103 West Main Street
Solomon, Kansas 67480

www.solomoncorp.com

785-655-2191
FAX 785-655-2502

Standard Terms and Conditions of Sale Updated, October, 2010

Terms of Offer: This quotation constitutes an offer to sell according to the terms included. The offer is good for 30 days from the date of quotation and shall be deemed accepted upon receipt and acceptance of a purchase order. The buyer will be deemed to have assented to all terms and conditions contained herein

Payment terms: Standard payment terms are net 30 days, pending credit approval of the buyer. Solomon Corporation reserves the right to require prepayment or progress payments for products and services of substantial size or financial risk. Any extension beyond these standard payment terms must be approved in writing prior to acceptance of an order. In the event Buyer fails to make payment when due, the buyer's entire account becomes immediately due and payable, and all amount are subject to service charges at the maximum contract rate permissible by law.

Order Cancellation: Orders cancelled after the acceptance of buyer's purchase order will be subject to appropriate cancellation or re-stocking charges. The charges will be dependent on the amount of labor and material expense, including design, engineering and administrative work, that has been completed at the time of order cancellation.

Shipments: All products are shipped FOB buyers designated delivery point unless otherwise specified. Freight charges are included in the purchase price unless otherwise specified in the price quotation. The buyer is responsible for providing labor and equipment to unload Solomon Corporation's truck. Solomon Corporation at its discretion may contract transportation and delivery with outside carriers.

Rescheduled or delayed shipments: Buyer may delay or reschedule shipment without penalty if the delay is within 30 days of the original scheduled delivery date. Delays beyond 30 days may require invoicing, payment and storage charges per Solomon Corporation's Storage policy.

Seller will make a good faith effort to complete delivery of the products and services on the scheduled date, but seller assumes no responsibility or liability for inability to deliver for reasons beyond the control of the Seller, unless otherwise agreed to in writing. The Seller is not liable for any incidental, consequential or liquidated damages arising from delays or failure to give notice of delay.

Inspection and acceptance: the Buyer shall have seven days from the date of delivery to report any damage, defects or nonconformance that is discernable at the time of inspection. After seven days the buyer is deemed to have accepted the product.

Tom Hemmer

Warranties: Solomon Corporation warrants, to the original purchaser only, that the products and services provided will be free from defects in material or workmanship. The duration of the warranty is one year from the date of delivery or completion of services, unless otherwise specified in the quotation. In the event that the product or service does not conform to specification or is defective in material or workmanship, Solomon Corporation will make the necessary repairs at its own expense. If Solomon Corporation is unable to successfully resolve the issue after a reasonable number of attempts, Solomon Corporation will provide at its option, replacement products, or a full refund of the purchase price. These are the purchaser's exclusive remedies for breach of warranty.

In the event that all or a portion of the products purchased are manufactured by others, the buyer's warranty is with the original manufacturer of those products and subject to the warranty terms and conditions of that manufacturer. Solomon Corporation, as a seller of products manufactured by others, will assist buyer in remediation of warranty claims, but in no circumstance is liable to fulfill the warranty obligation of those manufacturers or to cover expenses that are not covered by original manufacturers' warranty.

Solomon Corporation does not warrant:

- 1) Any product, not manufactured by Solomon Corporation
- 2) that the specification provided by the purchaser are accurate, or fit for a particular use
- 3) Damage caused by failure to provide a suitable installation environment
- 4) Damage caused by use for purposes other than those for which it was designed
- 5) Damage caused by accidents or disasters such as fire, flood, wind and lightning
- 6) Damage caused by unauthorized attachments or modification
- 7) Damage caused by vandalism

Solomon Corporation shall in no event be liable for incidental or consequential damages. The seller makes no warranty of the merchantability, or fitness for a particular purpose or any other warranty either expressed or implied.

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Storage Policy Updated October, 2010

Solomon Corporation strives to be flexible with customers and accommodate changes in construction and delivery schedules. We do, however, incur additional costs in storage, security, handling and interest, on large units, that are completed, but for which customers are not ready to take delivery. Similarly, we store a large number of customer-owned units that have been evaluated for repair, but for which repair work has not been approved. This policy has been developed to balance the flexibility needs of our customers with the cost and risk associated with holding and storing large units.

Completed Units: In the event that delivery cannot be accepted upon completion of manufacture, Solomon Corporation will hold the unit, for up to 30 days beyond the scheduled delivery date at no charge to the customer. If delivery is delayed beyond 30 days, Solomon Corporation will:

- 1) Invoice the unit for payment per the terms (net 30 days unless otherwise agreed to). Or, assess interest charges at a rate of one-half of one percent per month.
- 2) Assess a one-time set-up charge of \$3000 to prepare the unit for storage
- 3) Assess a storage fee of one-half of one percent per month with a minimum storage fee of \$500/month. After six months, the storage fee increases to one percent per month with a minimum of \$1000/month.

Title passes to the Purchaser at the time the equipment is placed into storage, however, Solomon Corporation will insure the equipment from damage until it is received and accepted at the destination as originally quoted. Warranty starts upon arrival at the destination or six months after completion of manufacture, whichever occurs first.

Units Evaluated for Repair

For customer-owned units that have been evaluated for repair, Solomon Corporation will hold and store the unit for 120 days from the date that the evaluation and repair quotation are sent to the customer. After 120 days, the customer will be given the following three options:

- 1) Authorize the repair, and the unit will be repaired and returned to the customer
- 2) Authorize the return of the unit unrepaired to the customer's site. Customer will be billed for transportation to and from our facility and evaluation charges.
- 3) Authorize the salvage of the unit. Customer will be paid the salvage value of the unit net of freight in and evaluation charges.

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Tom Hemmer