

**SALLISAW MUNICIPAL AUTHORITY
SPECIAL MEETING**

September 21, 2022

11: 30 AM

**CITY HALL - 3RD FLOOR CONFERENCE ROOM
115 E CHOCTAW AVE
SALLISAW, OKLAHOMA**

A G E N D A

- 1. Meeting Called to Order**
- 2. Declaration of a Quorum**
- 3. Discuss and Consider Approval of Purchase Order No. 90789, Issued to Sunbelt Solomon, Temple, TX, *in an amount not to exceed \$226,000*, for the Purchase of 33 Single-Phase Pad Mount Transformers**
- 4. Adjourn**

Posted: SEPTEMBER 14, 2022

Time: 4:20 P.M.

KIM JAMISON

AGENDA ITEM COMMENTARY

Meeting Date: September 21, 2022
Board: Sallisaw Municipal Authority
Subject: Transformer Purchase

ITEM TITLE: Discuss and Consider Approval of Purchase Order No. 90789, Issued to Sunbelt Solomon, Temple, TX, *in an amount not to exceed \$226,000*, for the Purchase of 33 Single-Phase Pad Mount Transformers

INITIATOR: Electric Superintendent
Purchasing Agent
Director of Finance

STAFF INFORMATION SOURCE: Electric Superintendent

BACKGROUND: Approval of this item will provide for the purchase of 33 single-phase pad mount transformers. This will allow the electric department to increase their stock on hand and have available stock for future residential development. Shipping is expected to take 70 weeks or more.

EXHIBITS:

1. Sallisaw, City of - Q-65106
2. Sunbelt Solomon General Terms and Conditions for Sale of Equipment and Services 091421
3. 99750-1

KEY ISSUES: N/A

FUNDING SOURCE: SMA Electric Transformers - 090-601-55515

RECOMMENDATION: Approval of Purchase Order No. 90789 in an amount not to exceed \$226,000 issued to Sunbelt Solomon of Temple Texas



Blakely Smith, Jr
Sallisaw, City of
bsmith@sallisawok.org

Sandy Hendrix
Inside Sales
shendrix@solomoncorp.com | +1 7855455225

PRODUCT	QTY	EACH
Single Phase Pad Mount 25 KVA KVA: 25 @ 65°C 60Hz Impedance: Standard HV: 12470GY/7200 (95 KV BIL) Loop Feed LV: 240/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN Wells & 15 KV Inserts Primary Bushings 4-Hole Spade Secondary Bushings Bayonet Fusing Pressure Relief Non-PCB Mineral Oil	7	\$5,805

PRODUCT	QTY	EACH
Single Phase Pad Mount 37.5 KVA KVA: 37.5 @ 65°C 60Hz Impedance: Standard HV: 12470GY/7200 (95 KV BIL) Loop Feed LV: 240/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN Wells & 15 KV Inserts Primary Bushings 4-Hole Spade Secondary Bushings Bayonet Fusing Pressure Relief Non-PCB Mineral Oil	8	\$5,985

PRODUCT	QTY	EACH
Single Phase Pad Mount 50 KVA KVA: 50 @ 65°C 60Hz Impedance: Standard HV: 12470GY/7200 (95 KV BIL) Loop Feed LV: 240/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN Wells & 15 KV Inserts Primary Bushings 4-Hole Spade Secondary Bushings Bayonet Fusing Pressure Relief Non-PCB Mineral Oil	5	\$6,170

PRODUCT	QTY	EACH
Single Phase Pad Mount 75 KVA KVA: 75 @ 65°C 60Hz Impedance: Standard HV: 12470GY/7200 (95 KV BIL) Loop Feed LV: 240/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN Wells & 15 KV Inserts Primary Bushings 4-Hole Spade Secondary Bushings Bayonet Fusing Pressure Relief Non-PCB Mineral Oil	6	\$7,400

PRODUCT	QTY	EACH
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Single Phase Pad Mount 100 KVA

7

\$8,650

KVA: 100 @ 65°C | 60Hz | Impedance: Standard
HV: 12470GY/7200 (95 KV BIL) | Loop Feed | LV: 240/120 (30 KV BIL)
Primary Taps: 2-2.5% FCAN & BN

Wells & 15 KV Inserts Primary Bushings
4-Hole Spade Secondary Bushings
Bayonet Fusing
Pressure Relief
Non-PCB Mineral Oil

Copper Windings

All REMAN Units are Completely Reconditioned to Nameplate Specifications

Destination: Oklahoma | **FOB:** Origin | **Shipping & Handling:** Prepaid & Allowed
Shipment: 66-75 Weeks Aro | **Warranty:** 3 Years | **Terms:** Net 30 with approved credit.

Offer to sell valid for 30 days. Price is subject to re-evaluation after 15 days. Units subject to availability.

Please note any changes to the specifications on this quotation form and reference the quotation number on your Purchase Order. Sunbelt Solomon ("Supplier") will use your Purchase Order to proceed with manufacturing when terms and conditions are finalized. Please note that changes made after the manufacturing process begins may result in additional charges and potential delays in production. Production of units that are contingent on the approval/receipt of drawings will begin the manufacturing process after the final sign off on the specified drawings by the customer. Please allow up to 4 weeks for the receipt of requested preliminary, construction, or approval drawings from the signed formal submittal date.

All sales, rental and services are subject to Supplier's Terms and Conditions for Sales and Rentals of Equipment and/or Services ("Terms and Conditions") unless otherwise mutually agreed in writing by officer of Supplier as evidenced by such officer's signature. Acceptance of a Buyer purchase order by Supplier does not constitute acceptance of Buyer terms and conditions. As orders are time sensitive and it is cost prohibitive to review and negotiate terms and conditions between parties, Supplier Terms and Conditions apply to quotes/orders: 1) with a value before tax of \$25,000 or less, 2) emergency services or services completed before issuance of a purchase order, and 3) rush orders for sales and rental that are to ship within three (3) days regardless of submission of terms and conditions by Buyer. If the Quotation is for Company to perform evaluation services on Customer-owned equipment (e.g. for Company to determine how/if the piece of equipment failed and/or whether it can be repaired), then the provisions of terms and conditions will apply which include (among other provisions) risk of loss remaining with Customer and Company only being liable for damage to this equipment to the extent of its gross negligence or willful misconduct. In no event does Supplier accept consequential damages or agree to Prime/Owner contract terms and conditions.

Price does not include tax. If applicable, tax will be added to the invoice. If order is tax exempt, please provide a copy of your exemption certificate. Unit(s) quoted are for normal service conditions as defined by ANSI/IEEE Standards. Notify Supplier at time of quotation should the unit(s) be subject to harmonics, motor starting, shovel duty, or other special service conventions.

Schedules

All Delivery dates are estimates and under no circumstances does Company guarantee date of delivery. Company shall not be responsible or liable for any damage or loss which occurs during transportation and/or shipment of the Equipment. Company is not liable or responsible for any costs of Customer caused by any delays in transportation or delivery.

Company reserves the right to manufacture and ship any items in advance of the acknowledged shipping schedule, unless expressly forbidden by the Customer at the time of the order entry.

Cancellation or Revision of Order

Any Purchase Order may be cancelled or revised by Customer only upon written approval by an authorized representative of the Company, and at the Company's sole discretion. Should Company approve cancellation or revision of a Purchase Order,



1922 S. MLK Jr. Drive
Temple, TX 76504



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sunbeltsolomon.com



Customer shall pay the cancellation or revision charges specified in said approval. Cancellation or revision charges will include expenses previously incurred, commitments made pursuant to or in reliance upon such Purchase Order, whether or not such commitments are legally binding on Company, and any other factors considered relevant by Company. In the event that Company does not approve cancellation or revision, Customer shall remain liable to Company for the full price of the Equipment, Rental and/or Services ordered.

Cancellation charges are calculated for each unit cancelled per its individual status.

Standard Cancellation Charges:

Cancellation Charges:	% of Selling Price
Before Engineering Review / Scheduling	20
Before Production Begins	65
After Production Begins	100

Company reserves the right to re-quote both price and lead time for any request to revise an order. If it is determined that a revision will incur an additional revision charge, charges are calculated for each unit revised per its individual status.

Standard Revision Charges:

Revision Charges:	% of Selling Price
Before Engineering Review / Scheduling	0
Before Production Begins	35
After Production Begins	100



Sunbelt Solomon General Terms and Conditions for Sales and Rentals of Equipment and/or Services

1. APPLICABILITY OF THESE TERMS AND CONDITIONS. These General Terms and Conditions for Sales and Rentals of Equipment and/or Services ("**Terms**") shall apply to every Quotation with a dollar value of \$25,000.00 or less ("**Threshold**") since it is cost-prohibitive for Sunbelt Solomon Services, LLC ("**Company**") to review and negotiate terms and conditions with the party ("**Customer**") purchasing/renting the equipment ("**Equipment**" when a provision is applicable to both sale or rental equipment, or "**Sale Equipment**" or "**Rental Equipment**" when a provision applies only to that specific type of equipment) and/or purchasing the services ("**Services**") set forth above in the Quotation. These Terms constitute an offer to Customer that can only be accepted by agreeing to every term and condition contained herein as evidenced by Customer's signature below. Company hereby expressly notifies Customer that any term, provision, or condition in conflict with, in addition to, or in modification of these Terms (no matter if issued by Company or Customer (individually a "**Party**" and collectively the "**Parties**") prior to or after the execution of these Terms) are hereby rejected and shall not be binding upon Company unless such term, provision, or condition is accepted in a signed writing by an authorized officer of Company which references the specific provision of these Terms that is superseded or modified and specifically references how it supersedes or modifies that specific provision of these Terms, and Company's failure to object to any term or condition contained in any communication or documents between the Parties shall not be deemed a waiver of any provision of these Terms. Should Customer be hiring Company to provide Equipment or Services to a third party to which Customer has a contract ("**Prime Contract**"), none of the terms or conditions of the Prime Contract shall apply to Company. Additionally, if the Quotation has dollar value over the Threshold, these Terms shall apply unless the Parties have entered into a separate, executed agreement ("**Master Agreement**") which specifically acknowledges that it supersedes these Terms.

2. OFFER/ACCEPTING THE QUOTATION. The Parties are executing this to evidence the Customer's acceptance of these Terms as set forth in Section 1 above that will apply should the Customer accept the offer set forth by Company in this agreement by issuing a purchase order ("**Purchase Order**") for the Equipment and/or Services or by Company issuing an Order Authorization or other document that is accepted by Customer. Once Customer executes this Quotation, the Terms shall apply to each Purchase Order issued by Customer for Equipment and/or Services to be provided by Company unless and until the Parties enter into a Master Agreement for such Equipment and/or Services that supersedes these Terms as stated in Section 1 above. The offer set forth in the Quotation is valid for thirty (30) days from Company's issuance of this Quotation. The Equipment is subject to availability. Customer shall note any changes to the specifications on the Quotation and reference the number on the Purchase Order. Company will use the Purchase Order as order confirmation and proceed with manufacturing or delivering the Equipment. Please note that changes made after the manufacturing process begins may result in additional charges and potential delays in production. Production of units, that are contingent on the approval/receipt of drawings, will begin the manufacturing process after the final sign off on the specified drawings. Please allow up to four (4) weeks for the receipt of requested preliminary, construction, or approval drawings from the Purchase Order submittal date.

3. PRICES. The price(s) set forth in the Quotation are subject to re-evaluation by Company after fifteen (15) days from Company's issuance of this Quotation if not accepted by Customer by issuing a Purchase Order. All prices are exclusive of any present or future sales, revenue, or excise tax, value added tax, turnover tax, import or export duty, or any other tax applicable to the manufacture and sale or Rental of any Equipment or the provision of Services. Such taxes shall be paid by Customer. In the event shipment of the Equipment or Services are delayed for any reason not within the control of Company, the price shall be increased one and one-half percent (1.5%) for each full month or fraction thereof that shipment of the Equipment or Services are thereby delayed after a ninety (90) day period from the date of the Purchase Order.

4. PAYMENT TERMS. The net amount due shall be paid in full within thirty (30) days of the invoice date. Amounts unpaid after the due date shall accrue interest of one percent (1%) per month. Company reserves the right to require payment in advance, a deposit or C.O.D. If partial shipments are made, payments shall become due in accordance with the designated terms upon submission of invoices. To secure the purchase price of the Sale Equipment and of any other items or services purchased by Customer from Company and any other amounts due by Customer to Company, Company hereby retains a security interest in, and Customer grants to Company a security interest in, the Sale Equipment and any other items purchased by Customer from Company.

5. CANCELLATION OR REVISIONS. Any Purchase Order may be cancelled or revised by Customer only upon written approval by an authorized representative of the Company; and at the Company's sole discretion. Should Company approve cancellation or revision of a Purchase Order, Customer shall pay the cancellation or revision charges specified in said approval. Cancellation or revision charges will include expenses previously incurred, commitments made pursuant to or in reliance upon such Purchase Order, whether or not such commitments are legally binding on Company, and any other factors considered relevant by Company. In the event that Company does not approve cancellation or revision, Customer shall remain liable to Company for the full price of the Equipment, Rental and/or Services ordered.

6. TITLE, RISK OF LOSS AND DELIVERY. All domestic and international deliveries shall be FOB or Ex Works ("**EXW**") (Incoterms 2020) Company's location or such other facility designated by Company in the applicable Purchase Order ("**Delivery Point**"). Such other facility may be designated as a domestic port for international delivery. The Party responsible international delivery shall comply with all applicable laws including those relating to the import, export, packaging, and labeling of the Equipment, and shall indemnify and defend the other Party for any breaches of such applicable laws. Customer shall be responsible for arranging further transportation of the Equipment from the Delivery Point. Risk of loss to all Equipment furnished by Company shall pass directly to Customer at the Delivery Point, subject to the provisions of Section 7 for Rental Equipment. If the Delivery Point is Company's location and Customer fails to accept delivery of any of the Equipment on the date fixed pursuant to the Purchase Order or Company's notice that the Equipment has been made available at the Delivery Point, Company, at its option, may store the Equipment until Customer takes delivery, and Customer shall be liable for all related costs and expenses (including, without limitation, storage and insurance). All Delivery dates are estimates and under no circumstances does Company guarantee date of delivery. Company shall not be responsible or liable for any damage or loss which occurs during transportation and/or shipment of the Equipment. Company is not liable or responsible for any costs of Customer caused by any delays in transportation or delivery. Title to the Sale Equipment shall pass to Customer upon Customer's payment to Company for the Equipment; Company shall retain title in all Rental Equipment at all times.

7. RENTAL EQUIPMENT. The minimum charge for any individual unit which is rented ("**Rental**") is two (2) weeks. Thereafter, monthly Rentals are billed on a month-to-month basis at the beginning of the Rental period. The Rental fee will begin upon shipment of Rental unit(s) and will terminate upon return receipt of Rental Equipment at one of Company's locations. Customer is responsible for freight charges both to and from Customer's Site. Rental charged is NOT applicable to the purchase price of the Rental Equipment nor are any Rentals prorated. Individual terms of Rental and Rental charges are discrete to each Rental as agreed between Company and Customer. Customer shall be liable for the return of the Rental Equipment to Company's warehouse in the same condition the Rental Equipment was in at the time the Rental

Equipment was received by Customer, ordinary wear excepted. As specified by Company, certain Rental Equipment shall be tarped when hauled to Customer's location and when returned to Company. If Customer fails to comply with this tarping requirement, Company reserves the right to charge Customer for any resulting damage. Should Customer rent Rental Equipment from Company, the following provisions apply: (a) in the event that any of Company's Rental Equipment is lost or damaged, Customer shall continue to pay rent on the Rental Equipment until (i) the Rental Equipment is returned, and Customer pays Company the full cost to repair the Rental Equipment or (ii) Customer pays Company the full replacement cost (i.e. the retail cost) of the Rental Equipment; and (b) Customer shall be responsible for any loss or damage to Company's Rental Equipment either transported by Customer or by conveyance arranged for by Customer. Should Customer purchase the Rental Equipment, the Rental Equipment shall be sold "as is" with no warranties whatsoever if Customer has been renting the Rental Equipment for three (3) months or more.

8. EVALUATION OF CUSTOMER-OWNED EQUIPMENT.

If the Quotation is for Company to perform evaluation services on Customer-owned equipment (e.g. for Company to determine how/if the piece of equipment failed and/or whether it can be repaired), then these Terms shall apply, except that: (a) Customer shall be responsible for the transportation of the Customer-owned equipment to and from Company; (b) the risk of loss and title shall remain with Customer; (c) no warranty of Service shall apply; and (d) Company shall only be liable for further damage to the Customer-owned equipment to the extent of its gross negligence or willful misconduct.

9. WARRANTIES.

(a) Warranty Periods. "Equipment Warranty Period" means: (i) for new Equipment, eighteen (18) months from the date of shipment of the Equipment to Customer or twelve (12) months from the date of energization of the Equipment, whichever occurs first; and (ii) for reconditioned Equipment, thirty-six (36) months from the date of shipment of the Equipment to Customer. If Customer is purchasing the Equipment to rent to or sell to its customers or to third parties other than Customer, the warranty period shall be for twelve (12) months from the date of shipment of the Equipment by Company. "Services Warranty Period" means the period commencing the date Company completes such Services and ending twelve (12) months thereafter, whether or not such Services are performed by Company on Customer's premises or Company's premises. If the purpose of the Purchase Order is for Company to repair goods that are owned by Customer in Company's shop (and is not warranty repair work), such Services will be guaranteed for a period of thirty-six (36) months from the date of the completion of such Services.

(b) Services Warranty. Company warrants for the Services Warranty Period that: (i) Company will perform all Services in a good, safe and workmanlike manner in accordance with generally accepted industry practices applicable to the Services being performed, (ii) the Services performed are in accordance with the specifications set forth in the applicable Purchase Order, and (iii) the Services will be free from defects in materials and workmanship.

(c) Equipment Warranty. For the Equipment Warranty Period, Company warrants the following regarding Sale Equipment manufactured by Company and Rental Equipment: (i) merchantable title to such Equipment; (ii) that they substantially comply with Customer's specifications as set forth in the applicable Purchase Order; (iii) that they are guaranteed to operate in accordance with the Equipment nameplate when operated under normal load, usage, conditions and with proper care, installation and supervision; and (iv) that the Equipment will be free from defects in material and workmanship.

(d) Exclusions from Warranties. Company does not warrant: (i) any Equipment not sold by Company; (ii) that the specifications provided by the Customer are accurate, or fit for a particular use; (iii) damage caused by improper installation of the Equipment (unless performed by Company); (iv) damage caused by improper operations of the Equipment, voltage surges, negligence of others, accidents, natural forces (including, but not limited to, fire, flood, wind and lightning), and operations beyond rated capacities, or misuse; (v) damage caused by use for purposes other than those for which it was designed; (vi) damage caused by unauthorized attachments or modification; (vii) damage caused by vandalism; or (viii) that the Equipment will meet or comply with the requirements of any safety code or regulation of any state, municipality, or other jurisdiction.

(e) Notice of Warranty Breach. Customer shall provide timely, written notice to Company of warranty defects.

(f) Remedies. Company shall promptly cure all valid Service Warranty defects described in such notices by reperforming the Services at Company's cost. Any Sale Equipment or Rental Equipment provided by Company which breaches this warranty shall promptly and at Company's sole option, be repaired or replaced by Company at Company's cost, except as otherwise provided in this Section 9. Company shall repair at the Customer's site all Equipment for which field repair is feasible. Should the Equipment require repair at Company's plant, Company shall arrange and pay freight to and from Customer's site anywhere in the continental U.S. Under no circumstances is Company responsible for any in/out charges associated with the connection, reconnection, disassembly or rigging of the Equipment being serviced under this warranty. Company shall not be responsible for repairs or replacement made by third parties without the Company's written consent. If Company fails to cure a defect within ten (10) days after receiving written notice of such defect, Customer may cure such defect directly or through a third party. In such case, Company shall reimburse Customer for the reasonable and documented costs incurred by Customer for curing the defect within thirty (30) days after receipt of a written invoice from Customer. Any Services or Equipment cured shall have a Service Warranty Period or Equipment Warranty Period for the longer of the remainder of the original warranty period or six (6) months from the completion of the warranty cure.

(g) Warranty Limitation. Company's obligation under these warranties shall not, in any event, exceed the line-item amount paid under the applicable Purchase Order for the defective Equipment or Services. If the costs of the reperformance, repair or replacement would exceed the original Purchase Order price for such item, Company's obligations under this warranty shall be satisfied by a return of the Purchase Order price for such item.

(h) Third-Party Warranties. In the event that all or a portion of the Sale Equipment purchased are manufactured by others, the Customer's warranty is with the original manufacturer of that Equipment and subject to the warranty terms and conditions of that manufacturer. Company, as a seller of Equipment manufactured by others, will assist Customer 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.

(i) Entire Warranties. The foregoing provisions of this Section 9 are expressly in lieu of all other warranties whatsoever, express, implied and statutory. **EXCEPT AS SET FORTH ABOVE, ALL WORK IS PROVIDED AS IS AND WITH ALL FAULTS. THE WARRANTIES MADE HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SUCH IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. FURTHER, THE WARRANTY REMEDIES SET FORTH HEREIN ARE THE SOLE WARRANTY REMEDIES AVAILABLE TO CUSTOMER FOR A BREACH OF WARRANTY CLAIM.**

10. INDEMNITY. Each Party shall be liable for and shall fully indemnify the other Party for any injury or death to any person or any damage to or loss of any property to the extent of the indemnifying Party's negligence or willful misconduct.

11. LIMITATION OF LIABILITY. Company's maximum liability to Customer for any breach of these Terms or any claim related to the Equipment or Services shall be the applicable Purchase Order price. **EXCEPT FOR THE DUTIES TO INDEMNIFY SET FORTH HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, LIQUIDATED, RELIANCE, ECONOMIC, CONSEQUENTIAL, CONTINGENT, CIRCUMSTANTIAL OR ENHANCED DAMAGES INCLUDING, BUT NOT LIMITED TO, DAMAGE FOR DELAY, LOSS OF PRODUCT, LOSS OF USE, LOSS OF REVENUE, LOSS OF PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOOD WILL REGARDLESS OF (a) WHETHER SUCH DAMAGES WERE FORESEEABLE, (b) WHETHER OR NOT A PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, (c) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND (d) THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.**

12. INTELLECTUAL PROPERTY. Customer acknowledges and agrees that Company's Equipment is protected by copyright, trademark, patent, or other proprietary rights of Company, its parent companies, subsidiaries, and affiliates. Unless the Equipment is *work for hire*, Customer gets no intellectual property rights in such Equipment (other than a license to use such Equipment) and agrees not to modify or alter any of the intellectual property made available by Company in connection with the Equipment. Customer further agrees not to adapt, translate, modify, decompile, disassemble, or reverse engineer the Equipment or any software used in connection therewith. No Equipment shall be considered *work for hire* unless a Purchase Order specifically orders or commissions Company to fabricate or manufacture the Equipment in a new or unique manner to Customer's specifications, and not in the manner typically fabricated or manufactured by Company.

13. NO ASSIGNMENT. Customer agrees not to assign or otherwise transfer its rights or obligations under these Terms without prior express written consent of Company. These Terms shall be binding on and inure to the benefit of the Parties to these Terms and their respective successors and permitted assigns.

14. FORCE MAJEURE. Company shall not be liable for any delay in providing the Equipment or Services, or any other failures in performance due to acts beyond its control. Such acts shall include, but are not limited to, acts of God, embargo, stoppage of labor, failure to secure materials or labor from usual sources of supply, riots, acts of war, fire, communication line failures, and acts of governmental or military authorities.

15. GOVERNING LAW, JURISDICTION AND VENUE. These Terms shall be governed and construed in accordance with the laws of the State of Texas, and any and all disputes hereunder shall be resolved in accordance with the laws of the State of Texas, except for any such law that would direct the application of the law of a different jurisdiction. The Parties consent to personal jurisdiction in any action brought in any court, federal or state, within Dallas County, Texas, having personal and subject matter jurisdiction arising under these Terms and with respect to any such claim the Parties irrevocably waive, to the fullest extent permitted by law, any claim, or any objection they may now or hereafter have, that venue is not proper with respect to any such suit, action, or proceeding brought in such a court in Dallas County, Texas, including any claim that such suit, action, or proceeding brought in such court has been brought in an inconvenient forum and any claim that a Party is not subject to personal jurisdiction or service of process in such Dallas County forum.

16. SEVERABILITY. Every provision of these Terms is intended to be severable. If any term or provision is illegal, invalid, or unenforceable, for any reason whatsoever, such illegality, invalidity, or unenforceability shall not affect the validity of the remainder. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as part of these Terms provisions similar in terms as necessary to render such provision legal, valid, and enforceable.

17. NON-WAIVER. A Party's failure to enforce any or all of these Terms shall not constitute a waiver of its rights with respect to the same or any subsequent breach.

18. RELATIONSHIP OF PARTIES. Nothing herein shall be construed to create a partnership, joint venture, agency, fiduciary or employment relationship between the Parties.

19. ATTORNEY'S FEES. If any action or proceeding shall be commenced to enforce these Terms, or any right arising in connection with these Terms, the prevailing Party in such action or proceeding shall be entitled to recover from the other Party, reasonable attorneys' fees, costs, and expenses incurred by such prevailing Party in connection with such action or proceeding.

20. ENTIRE AGREEMENT. These Terms constitute the entire understanding among the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter. Further, no oral statements about the Equipment or Services not in writing in these Terms shall be binding on a Party.

By execution of these Terms in the space provided below, Customer acknowledges and agrees with the foregoing terms and conditions as of the date of Customer's signature.

CUSTOMER:

Customer name: _____

By: _____

Name: _____

Title: _____

Date: _____



"The Transformer People"

When Every Minute Counts

Call Toll Free 800-843-7994
(Outside U.S.) 605-534-3555
FAX 605-534-3861
Website <http://t-r.com>

Quote Rev. 99750-1

Date: 09/08/2022

Contact: BLAKELY SMITH

Company: Sallisaw Municipal Authority

Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Quote Summary

#	Item	Type	Qty	Category	Ph	KVA	Primary	Secondary	Price	Total
1	0	RW	7	PAD MOUNT	1	25	7200/12470Y	240/120	\$6,991.00 USD	\$48,937.00 USD
2	0	RW	8	PAD MOUNT	1	37	7200/12470Y	240/120	\$7,871.00 USD	\$62,968.00 USD
3	0	RW	5	PAD MOUNT	1	50	7200/12470Y	240/120	\$8,402.00 USD	\$42,010.00 USD
4	0	RW	6	PAD MOUNT	1	75	7200/12470Y	240/120	\$11,042.00 USD	\$66,252.00 USD
5	0	RW	7	PAD MOUNT	1	100	7200/12470Y	240/120	\$13,071.00 USD	\$91,497.00 USD
Grand Total										\$311,664.00 USD

Additional Notes

1. All quotes are subject to the "Standard Terms and Conditions of Sale".
2. This quote is valid for 15 days.
3. Estimated manufacturing lead-time is a best estimate at time of quotation and may vary.
4. Upon completion of order, immediate shipment is available plus freight on a common carrier. Unless otherwise specified, freight on quotes is prepaid and allowed in the contiguous US on our next available truck going to your area.
5. Electrical Test reports available upon request.
6. Prices subject to change. Due to the current volatility of the transformer components market (including copper), prices are subject to change in the event a rapid or extreme fluctuation in price occurs between the time of order placement and sourcing of materials. A rapid or extreme fluctuation occurs when a component part increases by more than 5% from the time the order is placed, and the time materials are ordered. T&R Electric agrees to use its best efforts to obtain advantageous pricing from materials suppliers. In the event there is a price increase through no fault of T&R Electric, we will notify the customer as soon as practicable.
7. Note: In order for a Purchase Order to be entered into the work queue and receive a designated time slot for production, these conditions must be accepted, and a note of acknowledgement must be present on said purchase order.

If you have any questions or need any additional information please call me at 800-843-7994. You may also email me at trevor.jacobsen@trelectric.com.

Sincerely,
Trevor Jacobsen
Sales Representative



"The Transformer People"

When Every Minute Counts

Call Toll Free 800-843-7994
(Outside U.S.) 605-534-3555
FAX 605-534-3861
Website <http://t-r.com>

Quote Rev. 99750-1

Date: 09/08/2022

Contact: BLAKELY SMITH

Company: Sallisaw Municipal Authority

Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Item #1 - Single Phase 25 KVA Pad Mount

Product Type: Rewind

Transformer Type: Pad Mount

Specifications:

KVA:	25	Phase:	1
High Voltage:	7200/12470Y	Low Voltage:	240/120
Taps:	W/TAPS 2 X 2 1/2% +/-		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors shipping
- Bayonet Fusing
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Plug
- Bell Green Paint
- Undercoating

Notes:

Freight allowed in the continental USA with standard shipping
74-76 weeks

Quantity: **7**

Warranty: 36 Month Guarantee

Delivery: Fob: Destination

Price:

Manufacturing
Time:

\$6,991.00 USD Each

See Comments for Details

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



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(Outside U.S.) 605-534-3555
FAX 605-534-3861
Website <http://t-r.com>

Quote Rev. 99750-1

Date: 09/08/2022

Contact: BLAKELY SMITH

Company: Sallisaw Municipal Authority

Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Item #2 - Single Phase 37 KVA Pad Mount

Product Type: Rewind

Transformer Type: Pad Mount

Specifications:

KVA:	37	Phase:	1
High Voltage:	7200/12470Y	Low Voltage:	240/120
Taps:	W/TAPS 2 X 2 1/2% +/-		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors shipping
- Bayonet Fusing
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Plug
- Bell Green Paint
- Undercoating

Notes:

Freight allowed in the continental USA with standard shipping
74-76 weeks

Quantity: **8**

Warranty: 36 Month Guarantee

Delivery: Fob: Destination

Price:

Manufacturing
Time:

\$7,871.00 USD Each

See Comments for Details

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



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Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Item #3 - Single Phase 50 KVA Pad Mount

Product Type: Rewind

Transformer Type: Pad Mount

Specifications:

KVA:	50	Phase:	1
High Voltage:	7200/12470Y	Low Voltage:	240/120
Taps:	W/TAPS 2 X 2 1/2% +/-		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors shipping
- Bayonet Fusing
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Plug
- Bell Green Paint
- Undercoating

Notes:

Freight allowed in the continental USA with standard shipping
74-76 weeks

Quantity:

5

Warranty:

36 Month Guarantee

Price:

\$8,402.00 USD Each

Manufacturing
Time:

See Comments for Details

Delivery:

Fob: Destination

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



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Quote Rev. 99750-1

Date: 09/08/2022

Contact: BLAKELY SMITH

Company: Sallisaw Municipal Authority

Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Item #4 - Single Phase 75 KVA Pad Mount

Product Type: Rewind

Transformer Type: Pad Mount

Specifications:

KVA:	75	Phase:	1
High Voltage:	7200/12470Y	Low Voltage:	240/120
Taps:	W/TAPS 2 X 2 1/2% +/-		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors shipping
- Bayonet Fusing
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Plug
- Bell Green Paint
- Undercoating

Notes:

Freight allowed in the continental USA with standard shipping
74-76 weeks

Quantity:

6

Warranty:

36 Month Guarantee

Price:

\$11,042.00 USD Each

Manufacturing
Time:

See Comments for Details

Delivery:

Fob: Destination

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



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FAX 605-534-3861
Website <http://t-r.com>

Quote Rev. 99750-1

Date: 09/08/2022

Contact: BLAKELY SMITH

Company: Sallisaw Municipal Authority

Phone: 918-776-4643

Fax: 918-775-9550

Email: bsmith@sallisawok.org

Item #5 - Single Phase 100 KVA Pad Mount

Product Type: Rewind

Transformer Type: Pad Mount

Specifications:

KVA:	100	Phase:	1
High Voltage:	7200/12470Y	Low Voltage:	240/120
Taps:	W/TAPS 2 X 2 1/2% +/-		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors
- Bayonet Fusing
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Plug
- Bell Green Paint
- Undercoating

Notes:

Freight allowed in the continental USA with standard shipping
74-76 weeks

Quantity: **7**

Warranty: 36 Month Guarantee

Delivery: Fob: Destination

Price:

Manufacturing
Time:

\$13,071.00 USD Each

See Comments for Details

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



**36 MONTHS
100%
Guarantee**

GUARANTEE

ALL T&R TRANSFORMERS ARE GUARANTEED TO BE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS FOR 36 MONTHS UNDER NORMAL USE OR SERVICE ; THAT NORMAL USE OR SERVICE DOES NOT INCLUDE ABNORMAL STRESSES OR STRESS FROM SUCH CAUSES AS INCORRECT PRIMARY VOLTAGE, FREQUENCY OR IMPROPER LOAD.

We are not responsible for consequential losses or damages outside of this equipment nor for any repairs or replacements made by others without our written authorization. Should any unit fail within 36 months, we will either repair or replace the transformer or refund your money at our option.

Excluded under this guarantee are all newly-manufactured transformers and all transformers rebuilt by other rebuilders, in which case their guarantee will prevail.

This guarantee is expressly in lieu of other guarantees.

(605) 534-3555
(800) 843-7994
FAX: (605) 534-3861
E-MAIL: t-r@t-r.com

T&R Electric Supply Co., Inc.
STANDARD TERMS AND CONDITIONS OF SALE
Effective Date: January 23, 2020

1. Applicable Terms. These Terms and Conditions of Sale (the “Terms”) apply to and govern the sale of all material, equipment, components, products, goods and/or documents (the “Products”) sold by T&R Electric Supply Co., Inc. (“T&R”) to Customer, unless otherwise expressly agreed in a written agreement signed by T&R. T&R offers to sell the Products solely pursuant to these Terms, and any acceptance is expressly limited to these Terms. Any terms proposed by Customer in any offer, acceptance, confirmation or other document are rejected by T&R and do not bind the parties. If Customer objects to any provisions of these Terms, such objection must be in writing and received by T&R prior to commencement of performance by T&R. If Customer fails to timely provide a written objection, Customer will be deemed to have conclusively accepted these Terms. All dollar amounts referenced herein, or payments owed under the terms hereof, refer to and shall be paid in US dollars.

2. Quotations. Each quotation is valid for 30 days from its issue date unless otherwise stated in the quotation or unless revoked by T&R prior to the issuance of Customer’s purchase order.

3. Prices. Prices are subject to change by T&R without notice. Unless otherwise specified, prices will be the prices in effect at the time of written order acknowledgement by T&R, subject to any mutually agreed upon escalation formula and/or adjustment for any subsequent change to the Product requested by Customer and agreed to by T&R. Except as otherwise provided in Section 6 (Delivery/Shipment) or as otherwise agreed in writing by T&R, prices will include freight Prepaid and Allowed to the accessible common carrier point nearest the first destination designated by Customer in the 48 contiguous United States on the next available T&R truck delivering to Customer’s area, unless immediate shipping is required by Customer, in which case such charges are not included in the original quote and shall be additionally paid by Customer. In the event of a price change, the effective date of the change will be the date shown on the revised quotation. Where a price change is made by letter, fax or email, the effective date may be given as part of the letter, fax or email. Pallets are not included in the price of quote and must be requested separately by Customer. Pallets and export packaging provided by T&R will not be fumigated and any special requests shall be made in advance, and may not be available through T&R. Customer shall give at least two weeks’ notice to T&R in the event witness tests are required by Customer, and charges for such tests will be set by T&R but will be no less than \$1,000 per day.

4. Taxes. The price quoted by T&R for the Products does not include any federal, state or local property, license, privilege, sales, use, excise, gross receipts or other like taxes which may now or hereafter apply. Customer shall be solely responsible for paying all such applicable taxes. Payment by T&R of any such taxes will be for the account of Customer, and shall be immediately reimbursed by Customer to T&R. Where Customer’s or the end-user’s destination is located outside of the United States, Customer shall pay all customs, duties and local customs broker fees and costs (U.S. and/or non-U.S.), as well as all other non-U.S. taxes of any type.

5. Payment. Payment terms are 30 calendar days from the date of invoice, unless otherwise agreed in writing by T&R. If the financial condition of Customer at any time prior to shipment is reasonably questioned by T&R, T&R may require payment in advance by Customer or cancel any outstanding order, without any liability or obligation to Customer and whereupon, in the event of cancellation, T&R will be entitled to receive reasonable cancellation charges. If any payment is not made when due, Customer shall pay a late charge equal to the greater of 1½% per month cumulative or the highest applicable rate allowed by law on all principal outstanding and prior assessed late charges. In addition, Buyer shall pay T&R all costs and expenses incurred by T&R in enforcing these Terms, including reasonable attorneys’ fees.

6. Delivery/Shipment. Unless otherwise agreed in writing by T&R, all orders of Products with net invoice values of \$1,000 or more are shipped F.O.B. Colman, South Dakota Prepaid and Allowed, and all orders with net invoice values of less than \$1,000 are shipped F.O.B Colman, South Dakota Prepaid and Added. All shipments are F.O.B. accessible common carrier point nearest first destination designated by Customer in the 48 contiguous United States on the next available contracted carrier truck delivering to Customer’s area, unless immediate shipping is required by Customer (which charges are not included in the original quote, freight prepaid, and shall be paid by Customer).

Cartage (Store Door Delivery): Transportation charges incurred from the nearest accessible common carrier point to final destination or to shipside (in case of shipment to U.S. possessions) are the responsibility of Customer unless the common carrier furnishes store delivery at no extra charge.

Method of Shipment: T&R will determine the point of origin of shipment, the method of transportation, and the routing of shipment. Customers requiring shipment by a method or routing other than that of T&R’s selection will be billed any excess or premium in transportation charges. Any charges for special services, including special train, lighterage, coordinated arrival times of multiple trucks or other modes of conveyance shall be paid or reimbursed by Customer.

Shipping Dates: Shipping dates contained in quotations are approximate and are based on receipt of complete information with the order. If drawing approval by Customer is required, drawings must be returned to T&R by Customer and released to production within 14 days, in writing, by email, facsimile or first class mail. Upon release to production, a shipment date will be determined by work load level at the time of release and may not be the same as initially quoted. An acknowledgement shipment date will be provided upon Customer request.

Customer Pick-Up: No allowance will be made in lieu of transportation if Customer accepts shipment at the factory or warehouse or freight station.

Will Call Orders: Customer expressly consents that will-call orders (e.g. orders for which Customer elects to arrange for transportation) will be invoiced on the later of the contractually acknowledged shipment date or the date of Product completion. T&R will not be responsible in any way for Customer’s inability to secure timely transportation or any other delay by Customer or its service providers whatsoever. Any applicable storage charges of completed Products will be in accordance with Section 17 (Delayed Shipment).

Shipment Damage: Except in the event of F.O.B. Destination shipment, T&R will not participate in any settlement of claims for concealed or other shipment damage. When shipment has been made on an F.O.B. Destination basis, Customer shall unpack immediately and, if damage is discovered, shall: (i) not move the Product from the point of examination; (ii) retain shipping container and packing material (if applicable); (iii) notify the carrier of any apparent damage in writing on carrier’s delivery receipt and request carrier to make an inspection; (iv) notify T&R within 72 hours of delivery; and (v) send T&R a copy of the carrier’s inspection report.

Inspection and Acceptance: Products will be deemed accepted by Customer upon receipt. Should a Product not comply with required technical specifications, Customer shall notify T&R in writing of any alleged noncompliance within two calendar days of receipt and off-loading. Any notification of alleged noncompliance must cite each specification criteria that is alleged to be non-compliant, with evidence of the deviation. Correction of any confirmed noncompliance will be in accordance with T&R’s obligations under Section 8 (Warranty).

7. Force Majeure. T&R shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including but not limited to: acts of God; acts or omissions which are substantially attributable to Customer or Customer’s service providers; fire; floods, hurricanes, tornadoes or other unusually severe or harsh weather conditions; strikes or other labor difficulties; any act or failure to act or delay in acting on the part of any governmental authority or entity; changes in law; epidemics; quarantine restrictions; war; insurrection or riot; acts of a civil or military authority; title or environmental issues; embargoes; fuel or energy shortage; blockage; transportation delays or accidents; inability to obtain necessary labor, material or manufacturing facilities from usual sources; or delays of subcontractors. In the event of delay in performance due to any such cause, the date of shipment or time for completing will be extended by a period of time equal to the greater of (i) the time reasonably necessary to overcome the effect of such delay, or (ii) the time equal to the period of the delay.

8. Warranty. T&R warrants to Customer that, for the length of time stated in the quote given by T&R to Customer (or if no length of time is stated, for a period of one year from the date of invoice), the Products will be free from defects in material and workmanship under normal use, service and conditions. T&R shall have no liability for the failure of any Product to conform with this warranty if such failure is caused by abnormal stresses (such as stresses caused by incorrect primary voltage, frequency or improper overload), accident, misuse, neglect, alteration, improper installation or repair, inadequate maintenance, normal wear and tear, or use contrary to any product specifications or instructions of T&R. Customer may elect, at Customer’s sole expense, to install, use and maintain a metering device that will record values for current (amps), voltage (V), frequency (Hz), loading of the transformer (kW), and such other information as may be required by T&R (collectively, the “Metered Information”). In the event of a defect or other failure of the Product, Customer is required to provide Metered Information regarding the Product to T&R, and such Metered Information will be used by T&R to determine whether the alleged defect or failure is covered by this warranty. If Customer elects not to install, use, and maintain a metering device, or otherwise fails to provide Metered Information to T&R, T&R shall analyze the Product and make the determination, in its sole discretion, whether the alleged defect or failure is covered by this warranty. In the event a Product fails to conform to this warranty during the warranty period, T&R, at its sole option, will repair the Product, replace the Product, or refund the purchase price of the Product to Customer. Excluded from this warranty are all newly manufactured transformers, regulators, switches and other equipment and all transformers, regulators, switches and other equipment rebuilt by other rebuilders, in which case such other manufacturers’ or rebuilders’ warranties will apply and be Customer’s exclusive warranty to be enforced directly by Customer against such third party. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY CONSTITUTES T&R’S SOLE LIABILITY, AND CUSTOMER’S SOLE REMEDY, FOR ANY BREACH OF WARRANTY OR OTHER NONCONFORMITY OF PRODUCTS. T&R MAKES NO OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, OR THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. T&R does not extend this warranty, and Customer may not transfer it, to any third party; in the event this warranty is deemed to extend to any third party, this warranty shall be subject to all conditions and limitations of these Terms.

9. Limitation of Liability. The total, aggregate, and cumulative liability of T&R, and its affiliates, parent, subsidiaries, shareholders, directors, officers, employees, agents, assigns and their respective predecessors and successors, to Customer or any third party, whether by indemnity, in contract, guaranty or tort (including negligence or strict liability), by statute or under any other legal theory, shall in no event exceed the amount paid by Customer for the Product giving rise to such liability. The existence of multiple claims with respect to the same Product will not enlarge this limit.

Under no circumstances will T&R be liable to Customer or any third party, whether by indemnity, in contract, guaranty or tort (including negligence or strict liability), by statute or under any other legal theory, for any punitive, special, incidental, indirect or consequential damages or losses of any nature, even if Customer advised T&R in advance of the possibility of such damages, including without limitation loss of profit, loss of production, loss of contract, loss of revenue, cost of replacement power or temporary equipment, claims of Customer’s customers, cost of money, loss of investment or business opportunity, increased operating costs, financing costs or government fines, penalties or sums due.

No action, regardless of form, arising with respect to any Product may be brought by Customer more than one year after the event giving rise to the cause of action occurred. T&R shall be entitled to the payment of its attorneys’ fees and costs in the event T&R is forced to defend a legal action by Customer on a claim precluded by this section. The remedies of Customer set forth in these Terms are exclusive and include anything done in connection with the Products, such as the performance or breach of these Terms or the manufacture, sale, repair, replacement, delivery, resale or use of the Products.

Customer acknowledges that T&R set its prices, and agreed to sell the Products to Customer, in reliance on the limitations of liability, disclaimer of warranties, and remedies set forth in these Terms,

and that such provisions form an essential basis of the bargain between the parties, without which T&R would not have agreed to sell the Products to Customer.

10. Delay Damages. In the event T&R fails to deliver a Product at the time required by an order, T&R's liability for such delay shall be limited by these Terms (including, but not limited to, Section 9 (Limitation of Liability)) and in no event shall exceed an amount equal to 5% of the purchase price of the Product at issue. Such compensation shall represent full and final satisfaction of T&R's liability for delay. Customer shall be entitled to the delay damages described in this section only if Customer substantiates through appropriate and reliable documents the damages it incurred due to the late performance of T&R. Customer shall be entitled to such damages only if T&R fails to meet the final shipment date of a Product; no delay damages shall apply with respect to any intermediate milestone or deliverable. Any amounts payable by T&R pursuant to this section shall be subject to the terms of Section 9 (Limitation of Liability), including the total, aggregate liability cap set forth therein. Customer shall use all reasonable efforts to mitigate the effect of any delay caused by T&R. In no event shall T&R be liable for delay damages where late shipment was caused by a force majeure event as defined in Section 7 (Force Majeure), a suspension of the work, a change order or modification to the Product requested by Customer, or any other act or omission of Customer or end-user which contributed to the delay at issue.

11. Intellectual Property. The sale by T&R of a Product does not convey or grant any license, express or implied, to Customer regarding any of T&R's intellectual property, including but not limited to any patents, copyrights, trademarks, trade secrets, designs, artwork or other proprietary rights, except Customer's non-exclusive right to use such intellectual property solely for the purpose of, and only to the extent necessary for, use of the Product in accordance with T&R's specifications or use documentation.

12. Transfer. In the event Customer sells, assigns or otherwise transfers a Product or any right or interest therein to a third party, such third party shall be bound by these Terms in the same manner as Customer. In the event such third party is for any reason determined to not be bound by these Terms, Customer shall indemnify, defend and hold harmless T&R from and against all liability of T&R to such transferee or any subsequent transferee in excess of what T&R's liability would have been if such transferee had been bound by these Terms in the same manner as Customer.

13. Title; Risk of Loss. Title to the Products will pass to Customer at the point of delivery to Customer. Risk of loss of the Products will pass to Customer upon the earlier of the invoicing date or the date of delivery to Customer. Until such time as Customer has paid T&R in full for a Product, Customer shall perform all acts necessary to protect the Product free of claims, demands, liens and encumbrances, to insure the Product for its full replacement value at Customer's expense, and, to the extent Customer owes T&R any amount under the purchase order, hold the proceeds of any insurance claim in respect of the Product in trust for T&R.

Without prejudice to any other remedy or right of T&R, if Customer fails to timely pay for a Product delivered to Customer, T&R may take possession of the Product and sell it. Customer irrevocably authorizes T&R or its agents to enter any premises owned, leased or otherwise occupied by Customer for the purpose of taking possession of the Product. If T&R takes possession of and sells a Product, Customer continues to be liable to T&R for an amount equal to the aggregate of the unpaid amounts and costs and expenses incurred by T&R in taking possession of, transporting, storing and selling the Product, less an amount equal to the proceeds of the sale.

14. Contract Variations. The following terms apply to purchase order variations.

Drawing Approval and Changes: If Customer approval of drawings is required, such review, comment or approval must be received by T&R no later than 14 calendar days after submittal of drawings by T&R to Customer. If Customer fails to meet this requirement, or if the Product has not otherwise been released to production within 30 calendar days of written order acknowledgement by T&R, the order shall be subject to adjustment of price and shipment terms. Where Customer's specifications are not sufficiently detailed, T&R reserves the right to design the Product in accordance with T&R's professional judgment and good commercial practices. If at any time Customer makes changes to a design as covered in Customer's specifications, the order shall be subject to adjustment of price and shipment terms to reasonably cover any additional costs and commitments caused by the change.

Hold: An order placed on hold by Customer for any reason, or by T&R while awaiting payment of overdue invoices, will be taken out of the production schedule. If/when the hold is removed, the order will be rescheduled from that subsequent release date at the then prevailing lead-time, and Customer shall be responsible for all additional costs and expenses associated therewith.

Change Order: A change order submitted by Customer for a previously acknowledged purchase order is subject to additional charges. Changes to purchase orders that have not been released for production are subject to price adjustments for changes to the Products and the costs of technical and administrative services, as well as applicable material and/or restocking costs. Changes made to purchase orders that have been released to production are subject to these same price adjustments, plus \$500 per change for production disruption and inefficiency costs. Lead-time extensions may result, depending on the nature of the changes.

Customer Supplied Material: In the event T&R agrees to install Customer-supplied material, the following additional terms shall apply:

- (i) T&R will not be responsible for delays in shipment caused by delays in the receipt of Customer-supplied material. Such delays will be subject to possible price adjustments due to Customer-induced delays and disruptions.
 - (ii) Customer shall supply T&R all applicable technical data and drawings, in sufficient detail as determined by T&R, at time of order entry, so as to ensure the Product design can be made to accommodate form, fit, function and interface with Customer-supplied material.
 - (iii) Failure by Customer to supply the correct material per the detailed technical data supplied at the time of order may result in delays in shipment and price adjustments.
- T&R will not be responsible for Customer-supplied material that is inferior, damaged or defective. In such an event, delays in shipment may result and shall be subject to price adjustments in favor of T&R.

Service Conditions: Liquid-filled transformer products supplied by T&R shall be suitable for operation within the "usual service conditions" as defined in IEEE Standard C57.12.00, Section 4.1. These usual service conditions include, without limitation, the following:

- (i) The transformer is designed for step down duty.

- (ii) The transformer is designed for operation at the rated kVA, at 3300 feet altitude, without exceeding temperature limits, provided the average temperature of the ambient air does not exceed the limits as listed below. The dielectric strength of the bushings and arrestors will be suitable to allow satisfactory operation at 3300 feet.
 - (iii) The temperature of the ambient air may not exceed 40 degrees C at any one time and the average temperature of the ambient air, for any 24 hour period, may not exceed 30 degrees C.
 - (iv) The input voltage when applied to any rated tap, at rated frequency, may not result in an output voltage greater than 110% at no load, and 105% at rated output load. The output load power factor must be 80% or better.
 - (v) When unusual or special service conditions occur or exist, such as damaging or explosive vapors, abnormal vibrations, shocks, transportation or storage conditions, poor wave form, unbalanced voltage, or planned regular short circuits, or service conditions other than those described in (i), (ii), (iii) or (iv) above, it is the responsibility of Customer to bring these conditions to the attention of T&R at the time a quotation is requested by Customer.
- Failure by Customer to expressly provide advance notice to T&R of any unusual or special service conditions which do not meet the above shall render the Product warranty void.

15. Termination by Customer. An order or contract may be terminated by Customer only by written notice to T&R and upon payment to T&R of the termination charges described in this section, which must be paid with 30 days of the notice of termination.

Where the order is in process, but the Product is not released for manufacture, cancellation charges paid by Customer to T&R shall equal the cost of materials that are not useable on other orders, plus 20% of the price of the Product noted on the purchase order.

Where the order is in process and the Product is released for manufacture, the following charges shall be paid by Customer to T&R, based on stage of production:

- If engineering is complete, 25% of the Product price
- If purchasing is complete, 50% of the Product price
- If materials have been received by T&R, 75% of the Product price
- Within six weeks of acknowledged date of shipment, 100% of the Product price

16. Suspension by Customer. Any order held or delayed or rescheduled at the request of Customer shall be subject to the prices and conditions of sale in effect at the time of the release of the hold or reschedule. Any such order held or delayed beyond 30 calendar days will be treated as a Customer termination pursuant to Section 15 (Termination by Customer).

17. Delayed Shipment; Storage. When a Product is ready for shipment and shipment cannot be made because of reasons beyond T&R's control, T&R shall submit an invoice for the Product due and payable in accordance with the agreed payment terms, and T&R, upon written notice to Customer, shall store the Product, subject to the terms of this section.

Notwithstanding anything to the contrary herein, risk of loss of the Product shall pass to Customer upon moving the Product to storage. All expenses incurred by T&R in connection with the storage of the Product, including demurrage, cost of preparation for storage, storage charges, insurance and handling charges, shall be payable by Customer upon submission of invoices by T&R.

T&R, in its sole discretion, may agree to store completed Products for a maximum of two weeks at no additional charge on a space available basis, with the understanding and the hereby expressed consent of Customer that the date of invoice will be the date the Product was originally scheduled to ship and that payment terms will not be changed. After such two-week timeframe, a storage charge of \$250 per Product per week, or part thereof, will be assessed and billed monthly to Customer.

18. Termination by T&R. T&R shall have the right to terminate an order at any time in the event Customer breaches these Terms. T&R shall notify Customer of termination by written notice.

19. Returning of Product. No Product may be returned to T&R by Customer, except with the prior written agreement of T&R and subject to the terms specified therein by T&R.

20. Product Notices. Customer shall provide the end-user of a Product with all T&R-supplied Product and patent notices, warnings, instructions, recommendations and similar materials. Under no circumstances shall Customer or the end-user remove any such information which may be affixed to the Product or to the related materials shipped with the Product.

21. United States Export Controls. Customer acknowledges that the Products and all documentation and other technical information delivered pursuant to these Terms is subject to export controls under U.S. laws, including but not limited to the Export Administration Act and the regulations promulgated thereunder. Customer shall comply with all legal requirements established under these controls and cooperate fully with T&R in any official or unofficial audit or inspection that relates to these controls. Customer shall not export, re-export, divert or transfer, directly or indirectly, the Products or any documentation or other technical information delivered pursuant to these Terms to any country, or to the nationals of any country, which the U.S. government determines is a country to which such export, re-export, diversion, transfer or disclosure is restricted. Customer shall defend, indemnify and hold harmless T&R from and against any claims, liability and expenses arising from or related to any breach of this section by Customer. T&R's obligation to deliver the Products to Customer is conditioned upon Customer's attainment of all required licenses and permits.

22. Testing and Acceptance of Goods. Testing of the Products before shipment is done in accordance with T&R's standard factory test procedures. Upon Customer's request, T&R will provide test reports for the Products. In the event Customer requests testing other than T&R's standard factory tests and/or requests witness testing and/or inspections, Customer shall pay for all such additional testing, witness costs, and all associated charges.

23. Severability. If any provision of these Terms is found to be in violation of law or unenforceable, the remainder of these Terms shall remain in full force and effect.

24. No Assignment. Neither these Terms nor any rights, interest or benefits of Customer hereunder may be assigned by Customer to any other party, except upon the prior written consent of T&R.

25. Disputes; Choice of Law; Venue. If any dispute arises under these Terms between Customer and T&R, no action, suit, arbitration or other proceeding may be commenced before the parties have attempted to resolve the dispute pursuant to mediation, unless immediate injunctive relief is being sought. The validity, performance, construction, and effect of any purchase order which is subject to

these Terms shall be governed by the laws of the State of South Dakota, without regard to its choice of law rules or those of any other jurisdiction. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to any Products sold by T&R to Customer or any agreement or dispute between the parties. The sole and exclusive jurisdiction and venue for any legal action arising from or related to a dispute between T&R and Customer with respect to the Products, a purchase order, these Terms or any related matter shall be in the federal or state courts located in the State of South Dakota, and the parties consent to such jurisdiction and venue.