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## ShaneCal Services LLC (SCS) Terms and Conditions of Sale

**Offer and Acceptance.** A quotation confirms that ShaneCal Services LLC or its affiliates ("SCS") will sell goods ("Products"), and/or perform services ("Services"), at the prices and on the terms and conditions quoted, to the "Customer." Acceptance of any SCS proposal or quotation referring to these terms, or to which these terms are attached, is limited to acceptance of the exact terms as stated herein and in said proposal or quotation. "Acceptance" may be affected by any customary means including issuance of a responsive purchase order or equivalent authorization. Any different or additional terms shall be deemed objected to without effect unless subsequently agreed to in writing by SCS. The receipt of these terms by a Customer following an order not in response to, or inconsistent with, a written SCS proposal or quotation, shall be deemed a notification of objection to all inconsistent terms in that order.

**Expiration.** Quotations are valid for 30 days.

**Prices.** The prices in a quotation shall govern Customer's purchase of the Products and Services. Any SCS catalogs or other advertising materials are maintained only as a source of general information, and any prices and/or specifications shown therein are subject to confirmation by specific quotations. Customer shall bear all taxes, including excise and/or sales taxes and/or value-added taxes ("Taxes") with respect to the Products or Services that may be imposed by any statute, ordinance or regulation.

**Terms of Payment.** SCS may require partial or full payment ARO. To the extent that SCS extends any credit, payments shall be made in the lawful currency of U.S.A., and drawn from a U.S.A. bank (or by wire transfer or irrevocable and confirmed Letter of Credit), within 30 days of SCS' invoice date (unless otherwise noted), and subject to a monthly 1.5% late payment assessment. If SCS believes timely payments from Customer will not follow, and/or if the level of cost incurred by SCS for custom work is high, and/or if lead times are long, as determined by SCS in its sole discretion, then SCS may require payment on different terms, including but not limited to prepayment in full. SCS reserves the right to invoice for partial shipments.

**Delivery and Risk of Loss.** Terms of Product delivery shall be "Ex Works" at the point of shipment (unless otherwise noted). All delivery, insurance, and transportation of the Products are at the Customer's risk and pursuant to Customer's discretion and account. The risk of loss or damage to the Products shall pass to the Customer at the time of shipment. Upon the request of the Customer, SCS may, but is not obligated to, arrange for transport and insurance at the Customer's sole expense. Shipping dates are considered estimates only, and failure to meet said dates shall not be considered a breach by SCS.

**Title and Security.** Title to Products shall pass to Customer upon delivery to a common carrier. Until SCS has received full payment for any Products, SCS is entitled to a security interest in the Products which shall upon SCS request, and with the assistance of Customer, be created and remain with SCS. Until the security interest is extinguished, SCS may stop shipment of, repossess and/or resell any products in question.

**Inspection and Rejection.** Customer shall have no longer than thirty (30) days following receipt of a shipment of Products to inspect the Products. Customer may reject Products or Product shipments, in whole or in part, where the inspection reveals the Products are damaged, or are materially defective in workmanship or material. If Customer fails to timely reject Products or places the Products into commercial use, the Products shall be deemed accepted.

**Warranty.** SCS warrants to Customer that the Products will be free from material defects in material and workmanship for a period of twelve (12) months from the date of delivery. For Service work performed, SCS warrants to customers that the product will be free from defects in workmanship for a period of 1 month from the date of service. This warranty is void and does not apply to Products or Services that have been subject to abuse, misuse, neglect, accident, impact such as dropping, tampering, modification, unauthorized repair, improper installation, if the Products have been used for purposes not authorized by SCS or other causes unrelated to defective materials or workmanship. SCS shall make the final determination as to the existence and cause of any alleged defect. No warranty is made with respect to custom equipment or Products produced to Customer's specifications except as may be specifically set forth in writing by SCS in a separate contract for such custom equipment. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, SCS HEREBY DISCLAIMS AND MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS AND SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. SCS' SOLE LIABILITY SHALL BE LIMITED, AT SCS' SOLE OPTION, TO THE REMEDY PROVIDED HEREIN. Without limiting the generality of the foregoing, Customer acknowledges that the warranty set forth in this paragraph supersedes all prior agreements and discussions with respect to the quality and performance of the Products and Services.

**Remedy.** If any Product proves to be in breach of the foregoing warranty, Customer must notify SCS in writing no later than the 30th day following the end of the warranty period. SCS will promptly issue a return authorization for such Product. AS THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF WARRANTY, SCS SHALL, AT IT'S OPTION, EITHER REPAIR, REPLACE OR MODIFY THE PRODUCT. Customer shall be responsible for removing any defective parts in the Products and installing any repaired or replacement parts provided hereunder.

**Limitation of Liability.** IN NO EVENT SHALL SCS BE LIABLE FOR ANY PENALTY OR ANY DAMAGES TO THE CUSTOMER, ITS CUSTOMERS, AGENTS OR ANY THIRD PARTY WITH RESPECT TO ANY LOSS OF PRODUCTION, LOSS OF USE, LOSS OF OTHER GOODS, LOSS OF ORDERS, LOSS OF PROFITS, SUBSTITUTION COSTS, LOSS OF REVENUES, DOWN-TIME COSTS OR ANY COSTS ASSOCIATED WITH THE FAILURE OF THE PRODUCTS OR SERVICES AND/OR THE REMOVAL OF PRODUCTS FROM SERVICE, OR ANY OTHER SPECIAL, INDIRECT, CONSEQUENTIAL, TORT, EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES, REGARDLESS OF THE CAUSE OR THE LEGAL THEORY THEREFOR, INCLUDING LATE DELIVERY. SCS' LIABILITY, IF ANY, IS LIMITED TO THE ABOVE WARRANTY, AND PAYMENT RECEIVED FROM THE CUSTOMER FOR THE PRODUCTS IN QUESTION. This exclusion also includes any liability which may arise out of third party claims against Customer. SCS assumes no obligations or liability of any kind with respect to infringements or alleged infringements of United States or foreign patents, copyrights, trademarks, or other proprietary rights arising out of Customer's purchase, use, or possession of SCS' Products.

**Returns.** No Products may be returned, unless authorized by SCS, and SCS shall not be liable for any Products returned without such authorization. Customer shall be responsible for the transportation charges and losses of such products returned. Any Products wrongfully returned, but accepted by SCS, shall be subject to a restocking charge of forty percent (40%) of the invoice or purchase order amount plus any transportation costs incurred by SCS. Products built to Customer's specifications and Products that have been modified by the Customer may not be returned under any conditions. Customer shall carefully pack any returned Product in order that same may reach SCS without damage. Products shall be returned only to those locations stipulated to by SCS at the time that SCS consents to the return of such Products. The shipping container for all returned Products must be adequate to ensure safe delivery of Products to SCS.

**Default and Cancellation.** In the event of Customer's default in payment for Products purchased hereunder, Customer shall be responsible for all reasonable costs and expenses incurred by SCS in collection of any sums owing by Customer (including reasonable attorney's fees), and SCS may decline to make further shipments to Customer without in any way affecting its rights under this contract. If, despite any such breach by Customer, SCS elects to continue to make shipments, such shipments shall not constitute a waiver of any breach by Customer or in any way affect SCS's legal remedies arising from such breach. Customer shall not cancel, terminate, suspend performance of, or issue a hold on, any commitment for the purchase of, or payment for, SCS Products or Services, without prior written consent of SCS. SCS shall be entitled upon any termination or equivalent action to any losses including but not limited to the cost of the Products designed, manufactured and/or shipped; the cost of Services rendered; lost profits; and other incurred costs or expenses. Any termination is subject to a minimum 15% termination charge. SCS retains the right to terminate any contract for Services (or any contract for Products to the extent said contract requires specialized services) at its sole discretion, with reimbursement for all reasonable costs and expenses incurred up to point of termination. If Customer becomes bankrupt or insolvent, or files or has filed against it in any petition in bankruptcy, or makes an arrangement for the benefit of its creditors, or suffers a receiver or similar party to be appointed, SCS shall be entitled to cancel this contract without judicial intervention or declaration of default of Customer and without prejudice to any right or remedy which shall have accrued or shall thereafter accrue to SCS.

**Indemnification.** Customer shall indemnify, defend and hold SCS harmless from any and all claims (including attorney's fees and court costs) arising out of or connected with any Services, or production or use of any Products designed according to any Customer Specifications and/or Designs, to the extent that said claims result from SCS' use of and/or reliance on said Specifications and/or Designs for said Products and Services.

**Proprietary Rights.** All SCS contributions to the Products and Services, the results of the Services, and any other work product designed or provided by SCS hereunder may contain or result in statutory and non-statutory Intellectual Property, including but not limited to patentable subject matter or trade secrets; and all such Intellectual Property remains the sole property of SCS; and Customer shall not disclose (except to the extent inherently necessary during any resale of Product sold hereunder), disassemble, decompile, or otherwise reverse engineer said contributions, or any results of the Services, or any work product, or otherwise attempt to learn the underlying processes, source code, structure, algorithms, or ideas.

**Compliance with Laws.** Unless otherwise specified, Customer is responsible for obtaining any required export or import licenses. Customer will comply with all laws and regulations applicable to the installation, use, or export and import of all Products, including applicable export control laws and regulations of the U.S., E.U. and any other country having proper jurisdiction and will obtain all necessary export licenses in connection with any subsequent export, re-export, transfer and use of all Products and technology delivered hereunder. Customer will not sell,

**Transfer**, export or re-export any SCS Products or technology for use in activities which involve the design, development, production, use or stockpiling of nuclear, chemical or biological weapons or missiles, nor use SCS Products or technology in any facility which engages in activities relating to such weapons. Customer will comply with all local, national, and other laws of all jurisdictions globally relating to anti-corruption, bribery, extortion, kickbacks, or similar matters which are applicable to Customer's business activities, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"). Customer agrees that no payment of money or provision of anything of value will be offered, promised, paid or transferred, directly or indirectly, by any person or entity, to any government official, government employee, or employee of any company owned in part by a government, political party, political party official, or candidate for any government office or political party office to induce such organizations or persons to use their authority or influence to obtain or retain an improper business advantage for Customer or for SCS, or which otherwise constitute or have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business or any improper advantage, with respect to any of Customer's activities.

**Notices.** Any notice contemplated by or made pursuant to this contract shall be in writing.

**Modification/Waiver.** These terms incorporate and/or replace all prior terms whether oral or written, and may not be changed by either party except by a writing signed by both parties. The failure by SCS to enforce at any time any of the provisions of this contract, or to exercise any election or option provided herein, shall in no way be construed as a waiver of such provision or option, nor in any way affect the validity of this contract (or any part hereof), or the right of SCS thereafter to enforce each and every such provision. If any provision hereof is held by a court of competent jurisdiction to be unenforceable the remaining terms and provisions shall be unaffected and remain in full force and effect.

**Force Majeure.** SCS will exercise reasonable efforts to fill all orders according to the agreed schedule(s); provided, however, that SCS shall not be responsible for any damages or delays caused by acts of God, acts of civil or military authorities, fires, strikes, floods, epidemics, quarantines, restrictions of government, war, riots, transportation delays, obtaining necessary engineering talent, labor, materials or manufacturing facilities, or any other cause beyond its reasonable control. In the event of any such delay, the delivery date shall be extended for such length of time as may be reasonably necessary.

**Miscellaneous.** All rights of the parties with respect to any sale covered hereby shall be governed by the substantive law of the State of Oklahoma as applied to agreements among Oklahoma residents entered into in Oklahoma. In no event shall any provisions of the United Nations Convention on Contracts for the International Sale of Goods govern the terms of the same contemplated hereby. The Customer irrevocably submits to the exclusive jurisdiction and venue of any state or federal court having within its jurisdiction SCS' place of business.