



## General Terms and Conditions of Purchase/Sale

1. **DEFINITIONS:** In these terms and condition, Well Seals LLC will be referenced to as the "Seller"; the materials, goods, and articles will be referred to as "Products"; the person or purchaser will be referred to as the "Buyer"; and these Terms and Conditions of Sale together with the sale agreement and/or invoices for the Products will be referred collectively as the "Agreement".

2. **PRICE AND TRANSPORTATION CHARGES:** Unless otherwise set out in the Agreement prices are subject to change without notice and all shipments will be billed at the Seller's prices in effect at time of shipment. Except as expressly provided in the Agreement all transportation charges are for the account of the Buyer. If publishes car, truck, or water freight rates are increased or decreased prior to shipment, prices of unshipped Products which may have been ordered on a "delivered" price basis shall be adjusted accordingly.

3. **SHIPMENTS:** Seller's responsibility ceases upon delivery of the Products to the carrier designated by Buyer. Seller agrees to deliver Products alongside the carrying steamer or on the dock or pier receiving cargo for the steamer, provided the Buyer supplies specific delivery instructions within the free time limits and in the event necessary delivery instructions are not available for delivery within the free time limits, any and all demurrage and storage charges will be for the account of the buyer. If the Agreement specifies sales are C.I.F. Destination Port. Seller agrees to pay ocean steamship freight charges and insurance charges covering the Products from land to land, provided, however, all consular fees and any other miscellaneous charges at the Port or Export or the Port of Entry are for the account of Buyer. Delivery is subject to federal, state, and other laws and regulations applicable thereto, and Seller is not responsible for any delay loss or damage caused by such laws and regulations. To the extent that they do not conflict with the Purchase Order, INCOTERMS (latest edition) shall apply to Purchase Order. Seller shall provide all documentation required therein. Seller shall comply with any Purchaser's "packing, marking, and shipping instructions."

4. **SECURITY:** All orders, shipments, and settlements are subject to approval by the Treasurer of the Seller. Should the Buyer fail to fulfill the terms of payment of any order between the Buyer and the Seller, the Seller may deter further shipments until such payments are made or may cancel any or all orders unshipped. The Seller reserves the right to require from the Buyer, at any time satisfactory security for performance of Buyer's obligations under any order placed with the Seller, and refusal or failure to furnish such security will entitle the Seller to suspend shipment until such security is furnished or to cancel the order, or orders, or the unshipped portion thereof. Orders for Products specially manufacturer for Buyer may not be canceled. Seller shall maintain a purchase money security interest in the Products for any portion of the purchase price not paid at the time of delivery and shall retain this interest until Buyer has paid the full purchase price.

5. **PAYMENT:** Unless otherwise expressly specified in the Purchase Order, all prices stated therein shall be deemed to be fixed and firm and not subject to escalation and payable in the currency denoted within the Purchase Order. Unless otherwise agreed, payment of undisputed amount shall be made within thirty (30) calendar days after receipt of invoices correctly rendered in respect of Goods delivered. Invoices, together with all necessary back-up documentation, are to be submitted to the following address: Well Seals LLC, PO Box 171818, Arlington, TX 76003-1818.

7. **INSPECTION:** Purchaser, or its representatives, shall have the right to inspect and test the Goods ordered hereunder at any time prior to delivery or performance, and to finally inspect such Goods within a reasonable time after delivery at the ultimate destination or completion of their performance. The Goods shall not be deemed accepted until

after such final inspection. The making or failure to make any inspection of, or payment for, or acceptance of, the Goods shall in no way impair Purchaser's right to reject or revoke its acceptance of nonconforming Goods or to seek any other remedies to which Purchaser may be entitled.

8. **WARRANTY:** Seller warrants that the Goods delivered pursuant to this Purchase Order are free from all defects in design, workmanship, and material, and are in strict conformance with the specifications, drawings and samples in the Purchase Order, and are of merchantable quality and fit for the purposes for which they are intended. Seller agrees to promptly repair or replace, at Purchaser's option, and without cost to the Purchaser, any Goods delivered which shall be found by Purchaser to be defective, non-conforming or otherwise not in accordance with this warranty within the later of (a) one year after commencement of use of the by the ultimate user thereof, or (b) eighteen (18) months after the date of delivery by Seller of the Goods to Purchaser or to Purchaser's customer. Seller agrees that all warranties of Seller on Goods delivered under this Purchase Order shall extend to and be for the benefit of Purchaser and Purchaser's customers. This warranty will not apply to Products that have been used in a manner not intended by the manufacturer, that have been abused or misused, or have been altered by Buyer. Well Seals LLC shall be notified promptly of any material claimed to be defective and such material shall be made available for inspection by Well Seals LLC.

9. **CHANGES:** This Purchase Agreement shall not be changed or otherwise modified except upon the prior written authorization of duly authorized representative of Purchaser.

10. **TERMINATION:** In addition to any other rights Purchaser may have with respect to cancellation or termination (which in the event of Seller's default of the provisions hereof, shall include without limitation, the right to recover attorney's fees and costs of collection), Purchaser may terminate this Purchase Agreement as to all or any part of the purchase for which Seller's performance is not yet completed by giving notice of termination to the Seller. Following notice of such termination, Seller shall do only such work as is necessary to preserve and protect Goods completed or in process of completion. If in Purchaser's opinion, Seller is not in default under this Purchase Agreement at the time such termination notice is given, Purchaser will make an equitable termination payment to Seller based on the proportion of the Goods completed, and reasonable costs incurred by Seller in connection with the terminated purchase. Such payment shall not exceed that fraction of the total Purchase Order price which is allocable to the Goods performed and any such payment shall be subject to audit by Purchaser. Seller shall submit its claim for a termination payment within thirty (30) days after receiving notice of termination, and shall take prompt action to minimize costs which form part of such claim. Seller shall deliver promptly, in accordance with Purchaser's delivery instructions, all completed Goods in process. In the event that, for any reason, it is determined that Seller was not in default, the termination for compliances provision of this Paragraph shall apply. In no event shall Purchaser be liable for any special, indirect, incidental or consequential damages of any nature, including but not limited to, under utilization of labor or facilities, loss of revenues or anticipated profits, potential damage to business reputation, or loss of business or business opportunity, whether based on contract, tort (including negligence), strict liability or otherwise.

13. **INDEMNITY:** SELLER AGREES TO RELEASE, INDEMNIFY AND HOLD HARMLESS PURCHASER FROM ANY CLAIMS, LIABILITIES, LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES) ASSERTED AGAINST PURCHASER BASED UPON OR ARISING OUT OF SELLER'S FAILURE TO PERFORM, OR ITS NEGLIGENT OR WRONGFUL PERFORMANCE OF, ANY OF ITS OBLIGATIONS OR DUTIES UNDER THIS PURCHASE AGREEMENT.