

**OCV CONTROL VALVES, LLC  
TERMS AND CONDITIONS**

The acceptance of Customer's Order by OCV Control Valves, LLC ("Seller"), is conditioned upon Customer's assent to all of the terms and conditions contained herein. No terms or conditions other than those stated herein, whether contained in Customer's Order or elsewhere and no written or oral agreement that purports to vary these terms and conditions, shall be binding upon Seller unless set forth in a writing signed by Seller. Additional terms listed on the reverse side hereof, if inconsistent with the terms and conditions set forth herein, shall be controlling and shall be deemed a part of the terms and conditions hereof. All negotiations, proposals and representations, if any, made prior and with reference hereto, are merged herein, and this writing shall constitute a complete and exclusive statement of the terms of the agreement between Customer and Seller.

Customer's assent to these terms and conditions of sale shall be conclusively presumed from the earlier of acknowledgement of acceptance of Customer's Order, receipt of the invoice from Seller or receipt of any items ordered.

**PRICES** – Unless otherwise agreed to in writing by the parties, all prices are F.O.B. Seller's factory, Tulsa, Oklahoma, and shall be adjusted to conform to Seller's prices in effect at the date of shipment.

**TAXES** – Unless otherwise indicated herein, the prices specified do not include sales, excise or other taxes payable on account of the transaction, and all such taxes now or thereafter applicable to this transaction shall be paid by Customer.

**DELIVERY AND DELAY** – Seller shall use its best efforts to deliver the items contained in the Order on or before the date requested by Customer. Deliveries of items made up or in process may not be postponed by Customer for more than sixty (60) days beyond the delivery date originally requested without prior written consent of Seller. Seller shall be excused for any delay or failure in performance due to acts of God, war, riot, embargoes, fires, explosion, strike or other differences with workmen, shortages, delay in transportation, breakdown or accident actions taken to comply with any law or regulation, or any other cause, without limitation, beyond Seller's Control in the operations of its business.

**WARRANTY AND EXCLUSION OF OTHER WARRANTIES** – Seller warrants that any new products manufactured by it contained in the accepted Order, when shipped, shall be free from defects in material and workmanship under normal use and conditions for the purpose for which it was manufactured for a period of twelve (12) months from the date of shipment ("Warranty Period"), provided, however, that Seller does not in any manner warrant any new component parts, accessories, or equipment used in connection with any new product manufactured by Seller furnished to it by a third party from whom separate warranties are available. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE, WHETHER ARISING BY LAW, CUSTOMER OR CONDUCT, AND IS LIMITED TO THE REPAIR OR REPLACEMENT BY SELLER AT ITS FACTORY IN TULSA, OKLAHOMA, AT SELLER'S OPTION, OF ANY PART OR COMPONENT WHICH BECOMES DEFECTIVE WITHIN THE WARRANTY PERIOD.**

**THE FOREGOING RIGHTS AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ANY OTHER RIGHTS OR REMEDIES OF CUSTOMER WHATSOEVER, WHETHER STATUTORY OR OTHERWISE, AND WHETHER BASED ON A CONTRACT, TORT OR OTHERWISE, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LABOR CLAIMS OR ANY OTHER SPECIAL, DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

**DRAWINGS** – If drawings must be submitted for approval after the Order is received, the manufacturing and delivery schedule will not begin until approved drawings are received by Seller.

**PATENT INFRINGEMENT** – If any of the items in the Order are furnished to Customer's specifications, Customer will indemnify Seller and its successors and assigns against all liabilities and expenses resulting from any claim of infringement of any patent in connection with the use of such items.

**RIGHT OF INSPECTION AND CLAIMS** – Customer shall inspect the items covered by the Order upon delivery. All claims arising in connection with said inspection for any alleged shortage, damage to the items covered by the Order, or defect, or for alleged failure of the items in the Order to meet any specification or terms hereof, must be received by Seller in writing, particularizing the claim, within ten (10) days of delivery of items covered by Order. Upon notification of any such claim, Seller shall have the option of inspecting the item or items on Customer's premises or requiring Customer to ship the items prepaid to Seller for inspection.

**TOLERANCES** – All tolerances are to be in accordance with Seller's standards, which will be provided upon request.

**CREDIT APPROVAL** – Shipments, deliveries, performance of work and credit terms shall at all times be subject to the Seller's approval. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or security or upon terms and conditions satisfactory to it.

**TERMS OF PAYMENT** – Subject to the terms hereof, payment shall be due on or before the expiration of thirty (30) consecutive days of receipt of invoice. Customer agrees to pay Seller a credit service charge on and after the thirty-first (31<sup>st</sup>) day after the date of invoice at a rate equal to eighteen percent (18%) per annum on the unpaid balance of the invoice until paid; provided, however, that such interest rate shall not exceed the maximum rate of interest permitted by law.

**CANCELLATION** – After acceptance hereof by Seller and prior to commencement of work, Customer shall have the right to cancel the Order, provided, however, that upon cancellation of the Order, Customer agrees to pay a minimum cancellation fee to Seller equal to ten percent (10%) of the total sales price of items ordered and, in the case of items manufactured to Customer's Specification, all charges and expenses pertaining to such manufacture to date of receipt of cancellation. Such payment or payments shall be made within thirty (30) days of such cancellation. The payments of such cancellation fee by Customer to Seller shall be in addition to Seller's remedies at law or equity.

**CHANGES** – Customer agrees to pay all costs arising by virtue of any change, modification or addition to the items contained in the Order. Any such change, modification or addition shall otherwise alter the terms and conditions of the original Order.

**NONWAIVER BY SELLER** – Waiver by Seller of any terms or conditions hereof, or waiver of any breach hereof, shall not be construed as a waiver of any other terms, condition or breach.

**EXPORT SHIPMENTS** – Customer agrees to pay Seller for any and all additional costs incurred by the Seller in shipping items to a destination outside the territory of the Continental United States. No discounts shall be made by Seller to orders amounting to less than \$50.00

**RETURNED ITEMS** – In no event may items be returned without first receiving authorization in writing from Seller. Authorized returns must be shipped prepaid to factory, 7400 East 42<sup>nd</sup> Place, Tulsa, Oklahoma. Seller reserves the right to refuse any item for credit if conditions warrant such refusal. Special equipment, or items other than of current design, may not be returned for credit. If approval is granted, Customer agrees to pay a twenty-five percent (25%) restocking charge on standard items of current design, within warranty period; provided such returned items are in the original package or crate when received. If authorized returns are not in original package or crate when received, Customer agrees to pay the costs of inspection, reconditioning, testing, repainting and packaging in addition to the 25% restocking charge, not to be less than a minimum charge of \$50.00

**ACCEPTANCE OF ORDERS** – All orders are subject to acceptance by the main office and factory at Tulsa, Oklahoma. In no case shall Seller be bound by terms and conditions contained in Orders submitted on Customer's own purchase order forms without the express written agreement of Seller.