

CRANDALL ENGINEERING LLC STANDARD TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS OF SALE

The following terms and conditions of supply and payment are accepted by the Buyer when it places the order and shall govern all aspects of the business relationship between the parties. General conditions of business of the Buyer and departures from the terms and conditions shall be valid only if they are expressly acknowledged in writing by CRANDALL ENGINEERING, LLC ("Crandall Engineering")

An order shall become binding upon Seller's receipt of Buyer's purchase order, written acceptance of this Proposal, and Seller's written acceptance of receipt. The Buyer's purchase order and the Seller's Proposal and letter of acceptance constitutes and embodies the entire understanding and agreement of the parties to this Agreement and, except as otherwise provided in this Agreement, there are no other agreements or understandings, written or oral, in effect between the Buyer and Seller (or any other person or entity) specifically relating to the substance of this Agreement.

Buyer expressly acknowledges that these terms and conditions shall supersede all prior agreements, discussions or correspondence between Buyer and Seller (including the respective employees, agents or representatives of either), written or oral, and that the Buyer is not relying upon any oral or written representation of Crandall Engineering other than those expressly contained herein.

TERMS OF PAYMENT

Payments to the agreed terms shall be sent to Crandall Engineering at our billing address without any deductions for cash discount, expenses, taxes, dues or other reduction of any kind.

Payment shall be deemed effected when the particular sum is available to Crandall Engineering. The Buyer shall not withhold or reduce payment on account of complaints or claims of counterclaims Crandall Engineering did not agree to. Payment shall also be made if any support work is delayed or prevented by reasons beyond Crandall Engineering control.

All payments, with the exception of the down payment, where applicable, shall be in US Dollars and due and payable in full within 30 days of the date of invoice. Past due invoices will be assessed finance charges at a rate of 5% per month, which Buyer agrees is a reasonable estimate of the costs Seller incurs with respect to late payments and is not a penalty. If accounts or service charges thereon are not paid when due, or suit is brought, additional reasonable costs of collecting, including attorneys' fees, will be charged and will be the responsibility of the Buyer.

Until complete payment of the agreed price, title to all objects delivered shall remain with SELLER, including, but not limited to, title to the associated software and documentation,

TAXES

Buyer shall be responsible for all taxes (other than income taxes) due and payable in connection with the delivery of, and transfer of title to, the merchandise that is the subject of this agreement

TERMINATION

The buyer may terminate this Agreement at any time by giving written notice to the Seller. Upon termination the Buyer shall pay to Seller the following amounts as determined by the Seller:

The price for all goods and services that have been completed, but not previously paid for in accordance with this Agreement and the actual price incurred for all work in progress, purchased components and raw materials at time of termination

SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and effective under applicable law, but if any provision of this Agreement is found to be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement

CHANGE ORDERS

All changes affecting the scope of an order are to be documented in writing for approval and authorization to incorporate such changes into the order. All changes authorized by Seller are binding only if accepted in writing by Crandall Engineering, and may result in price, delivery, and/or condition changes.

WORKING CONDITIONS

Crandall Engineering reserves the right to refuse to work under hazardous conditions. In case of doubt, mutual agreement must be reached prior to commencement of any work.

All staging and rigging required for access to equipment to be serviced shall be erected by and at the expenses of others and shall comply with reasonable safety requirements.

Crandall Engineering shall comply with all plant safety regulations where applicable. However, any protective clothing or equipment, except the standard safety shoes, required by Buyer's regulations shall be provided by Purchaser.

INDEMNIFICATION

Buyer agrees to indemnify and hold Seller and its affiliates, successors, assigns, shareholders, directors, officers, employees, contractors, attorneys and agents (collectively the "Indemnified Parties") harmless from any claims, losses or damage (including any amount paid in reasonable settlement of litigation, either threatened or pending) and all costs and expenses (including legal fees and other expenses reasonable incurred in investigating or defending against litigation, either threatened or pending) by Buyer and/or third parties stemming from the use of the supplied goods and/or services. Seller does not warrant this Design and/or final product to third parties for any purpose or use whatsoever.

In no event, regardless of cause or legal theory, shall the Seller be liable for incidental, special, indirect or consequential damages, including but not limited to loss of profits, revenue, interest, capital, financing, goodwill, use, business reputation, opportunity or productivity, whether real or alleged.

LIMITED WARRANTY

Custom Products: Warranty shall begin to run on the date of product delivery by Crandall Engineering. For deliveries of goods and services which are not brought into service on the operating site by Crandall Engineering, or by technicians specifically authorized by Crandall Engineering, or which have been used for productive purposes before definitive final acceptance without the consent of Crandall Engineering, the latter shall give no warranty. The warranty period on repaired or replaced components begins to run for a further period of ninety (90) days from the date of replacement, completion of repairs and acceptance or at the latest until the end of the warranty period for deliveries and services. The warranty shall expire immediately if the Buyer or third parties operate the delivered goods inexpertly, undertake inexpert modifications or repairs, or do not give the Seller an opportunity to remedy the defect itself. In addition, the Buyer shall make sure the damage is not allowed to become more extensive. If defects arise, Seller shall be allotted a reasonable amount of time to make appropriate modifications. A reasonable amount of time is defined as the time necessary to review stated defect, make the necessary changes, and deliver updated documentation.

Purchased Products: The warranty of the manufacturer shall apply for all distributed products.

SOFTWARE

To the extent the scope of supply includes software, the BUYER is hereby granted a non-exclusive right to use the delivered software including the related documentation. All other rights in and to the software and related documentation, including any copies thereof, shall remain with the SELLER or the respective software vendor. No granting of sub-licenses shall be permitted.

HALCON SOFTWARE

All HALCON software sales are final (not returnable). Purchase of HALCON Progress Editions (part number 000100091 requires an annual subscription at the then-current price. BUYER must give notice to SELLER 3 months before subscription is set to expire if they wish to cancel; otherwise, an invoice will be automatically generated 30 days before the expiration date.

SHIPMENT

Shipment of the system as described in this proposal is scheduled as indicated in Buyer proposal. Shipment dates are given to the best of our knowledge based on conditions existing at the time of quotation. Crandall Engineering makes every effort to ship within the time estimated but cannot guarantee to do so. Failure to make shipments as scheduled does not constitute a cause for cancellation, a default or breach and/or for damages of any character. The execution of this order is contingent upon strikes, fires, delays of carriers and other delays or causes either unavoidable or beyond our control.

Unless otherwise agreed to in writing, delivery shall be made ex works. Packaging and shipment are performed at SELLER's choice and shall be paid for by the customer.

NON-INTERFERENCE

Buyer acknowledges that recruiting and training employees and sub-contractors is a costly and time-consuming endeavor. Should Buyer wish, within one (1) year following the termination of this agreement – measured from the last extension thereof – to directly or indirectly employ any person who shall have worked or contracted with Consultant for Buyer, Buyer shall first pay Consultant the sum of \$35,000 per individual, which accurately reflects the reasonable value of Consultant's time and costs.

HEADINGS

The headings and captions contained in this Agreement are for convenience only and are not to be construed as part of this Agreement

GOVERNING LAW

This agreement is made under, shall be construed in accordance with, and shall be governed by the laws of the State of Colorado as applied to contracts made and performed solely within the State of Colorado.

Effective as of July 2018