

RECITALS

1. TTI stocks and distributes specialty tools and provides value added services on related products for business use.

ARTICLE 1-INVOICE AND PAYMENT

- 1.1 **Invoice.** As soon as reasonably practicable after pick-up of the Product produced hereunder, TTI shall send an invoice to Customer for such Product. The invoice shall set forth the quantities and Price of the Product picked-up in accordance with the PCF.
- 1.2 **Payment.** Customer shall pay all invoices for the Product ordered by Customer in accordance with this Agreement. Customer shall remit payment within thirty (30) days from receipt of TTI's invoice.
- 1.3 **Taxes.** Unless otherwise specified elsewhere in this Agreement, the Price for the Product ordered includes all federal, provincial, state, municipal and/or local taxes and duties (including without limitation any goods and services tax) for which TTI is obligated by applicable law to withhold or assess.

ARTICLE 2-PRODUCT SPECIFICATIONS

- 2.1 **Product Specifications.** The Product delivered by TTI shall conform to the product specifications (the "**Product Specifications**") set forth in product descriptions and specifications provided by TTI and approved by Customer and/or contained in the PCF or as otherwise agreed to in writing by the Parties.

ARTICLE 3-TERM AND TERMINATION

- 3.1 **Term.** This Agreement will commence on the Effective Date of order.
- 3.2 **Force Majeure.** Subject to Sections 4.3.1 below, delays by a Party in the performance or non-performance of its obligations under this Agreement, other than an obligation to pay money when due, will be excused if due to Force Majeure. TTI shall notify Customer within forty-eight (48) hours upon the existence of any such Force Majeure and the probable duration thereof, and shall provide Customer from time to time with correct information concerning same. "Force Majeure" shall mean any cause beyond a Party's reasonable control, including, by way of example only and not limitation, acts of God, governmental laws, rules, or regulations, wars, fires, terrorism, the elements, labor troubles, interruption or shortage of availability of transport facilities, or interruption or shortage of availability of raw material.

ARTICLE 4-WARRANTIES, NO SPECIAL DAMAGES AND SURVIVAL

- 4.1 TTI represents and warrants that the Product will conform to the Product Specifications and this Agreement (including the PCF), will be free from contamination and defects in design, material and workmanship and will be fit for the use intended (the "**Warranty Standards**"). TTI also warrants that TTI will convey to Customer good and marketable title to the Product free and clear of all liens and encumbrances. NOTWITHSTANDING THE WARRANTIES SELLER EXPRESSLY PROVIDES UNDER THIS PARAGRAPH, ANY PRODUCTS PROVIDED ARE SOLD "AS IS" AND "WITH ALL FAULTS", AND TTI DISCLAIMS AND ALL WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE LISTED ABOVE.
- 4.2 EXCEPT AS SET FORTH IN ARTICLE 6, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY EXEMPLARY OR PUNITIVE DAMAGES, NOR FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO THOSE ARISING FROM ECONOMIC LOSSES SUCH AS LOSS OF USE, LOSS OF PRODUCTION, LOSS OF PROFITS, LOSS OF ANTICIPATED PROFITS, LOSS OF REVENUE OR BUSINESS INTERRUPTION, IRRESPECTIVE OF WHETHER (1) SUCH DAMAGES WERE CAUSED BY OR CONTRIBUTED TO BY THE SOLE OR CONCURRENT NEGLIGENCE OR BREACH OF DUTY, WHETHER STATUTORY OR OTHERWISE, OF EITHER PARTY, OR (2) THE POTENTIALLY LIABLE PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY FURTHER HEREBY RELEASES THE OTHER PARTY IN THIS REGARD.
- 4.3 The following Sections of this Agreement shall survive expiration or termination of this Agreement: Sections 4.5, Articles 5, 6, and 7

ARTICLE 5-INDEMNIFICATION AND INSURANCE

- 5.1 **INDEMNITY.**

5.1.1 TTI INDEMNIFICATION. TTI HEREBY RELEASES CUSTOMER FROM ANY LIABILITY FOR, AND SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS CUSTOMER, ITS PARENT, SUBSIDIARIES, PARTNERS, AFFILIATES, AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS, AND JOINT OWNERS ("CUSTOMER GROUP") FROM AND AGAINST ALL COSTS (INCLUDING THE PAYMENT OF REASONABLE ATTORNEYS' FEES), LOSSES, LIABILITIES, DEMANDS, CAUSES OF ACTION, DAMAGES, OR CLAIMS OF EVERY TYPE AND CHARACTER, ARISING OUT OF OR RESULTING FROM OR RELATED, DIRECTLY OR INDIRECTLY, TO (i) INJURY TO, ILLNESS OR DEATH OF TTI, ITS PARENT, SUBSIDIARIES, PARTNERS, AFFILIATES, AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SHAREHOLDERS, AND JOINT OWNERS ("TECHNI-TOOL

GROUP”) OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY CONTRACTOR OF TECHNI-TOOL GROUP, OR (ii) LOSS OF OR DAMAGE TO ANY PROPERTY OF THE TECHNI-TOOL GROUP, ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY CONTRACTOR OF TECHNI-TOOL GROUP, REGARDLESS OF THE CAUSE OF SUCH CLAIMS, INCLUDING THE STRICT LIABILITY, SOLE OR JOINT NEGLIGENCE OF CUSTOMER GROUP (EXCLUDING ONLY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF THE CUSTOMER GROUP).

5.1.2 CUSTOMER INDEMNIFICATION. CUSTOMER HEREBY RELEASES TTI FROM ANY LIABILITY FOR, AND SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS TTI GROUP FROM AND AGAINST ALL COSTS (INCLUDING THE PAYMENT OF REASONABLE ATTORNEYS’ FEES), LOSSES, LIABILITIES, DEMANDS, CAUSES OF ACTION, DAMAGES, OR CLAIMS OF EVERY TYPE AND CHARACTER, ARISING OUT OF OR RESULTING FROM OR RELATED, DIRECTLY OR INDIRECTLY, TO (i) INJURY TO, ILLNESS OR DEATH OF ANY MEMBER OF THE CUSTOMER GROUP, OR ANY EMPLOYEE OFFICER, DIRECTOR OR AGENT OF OTHER CONTRACTORS OF THE CUSTOMER GROUP, OR (ii) LOSS OF OR DAMAGE TO ANY PROPERTY OF THE CUSTOMER GROUP, ANY CONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF OTHER CONTRACTOR OF THE CUSTOMER GROUP, REGARDLESS OF THE CAUSE OF SUCH CLAIMS, INCLUDING THE STRICT LIABILITY, SOLE OR JOINT NEGLIGENCE OF TECHNI-TOOL GROUP (EXCLUDING ONLY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY MEMBER OF THE TECHNI-TOOL GROUP).

5.1.3 THIRD PARTIES. NOTWITHSTANDING SECTIONS 6.1.1 AND 6.1.2 ABOVE, TO THE EXTENT OF ITS NEGLIGENCE, CUSTOMER AND TTI SHALL EACH INDEMNIFY, DEFEND AND HOLD EACH OTHER HARMLESS FROM AND AGAINST CLAIMS, OF EVERY TYPE AND CHARACTER, WHICH ARE ASSERTED BY THIRD PARTIES FOR BODILY INJURY OR LOSS OR DESTRUCTION OF PROPERTY OR INTERESTS IN PROPERTY IN ANY MANNER CAUSED BY, DIRECTLY OR INDIRECTLY RESULTING FROM, INCIDENT TO, CONNECTED WITH OR ARISING OUT OF THE WORK TO BE PERFORMED, SERVICES TO BE RENDERED OR MATERIALS TO BE FURNISHED PURSUANT TO THIS AGREEMENT. WHEN PERSONAL INJURY, DEATH OR LOSS OF OR DAMAGE TO PROPERTY IS THE RESULT OF JOINT OR CONCURRENT NEGLIGENCE OF CUSTOMER OR TTI, THE INDEMNITOR’S DUTY OF INDEMNIFICATION SHALL BE IN PROPORTION TO ITS ALLOCABLE SHARE OF SUCH NEGLIGENCE.

5.1.4 INFRINGEMENT INDEMNITY. SUBJECT TO THE LIMITATIONS HEREIN, TTI SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS CUSTOMER GROUP FROM ANY AND ALL CLAIMS, OF EVERY TYPE AND CHARACTER, DEMANDS, CAUSES OF ACTION, DAMAGES, COSTS (INCLUDING THE PAYMENT OF REASONABLE ATTORNEYS’ FEES), LIABILITIES, OR PROCEEDINGS BROUGHT AGAINST TTI OR CUSTOMER FOR PATENT, COPYRIGHT, TRADEMARK, INTELLECTUAL PROPERTY, TRADE SECRET, OR OTHER PROPRIETARY RIGHT INFRINGEMENT ARISING OUT OF OR RESULTING FROM THE WORK PERFORMED OR THE MATERIALS PROVIDED BY TTI IN CONNECTION WITH THE WORK UNDER THIS AGREEMENT; EXCEPT TO THE EXTENT ANY SUCH CLAIM ARISES OUT OF OR RELATES TO ANY CUSTOM SPECIFICATIONS PROVIDED BY CUSTOMER HEREUNDER.

5.1.5 IF A CLAIM IS ASSERTED AGAINST ONE OF THE PARTIES TO THIS AGREEMENT WHICH MAY GIVE RISE TO A CLAIM FOR INDEMNITY AGAINST THE OTHER PARTY HERETO, THE PARTY AGAINST WHOM THE CLAIM IS FIRST ASSERTED MUST NOTIFY THE POTENTIAL INDEMNITOR IN WRITING AND GIVE THE POTENTIAL INDEMNITOR THE RIGHT TO DEFEND OR ASSIST IN THE DEFENSE OF THE CLAIM.

5.1.6 THE FOREGOING INDEMNITIES SET FORTH IN THIS AGREEMENT ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES HERETO IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE HEREOF NOTWITHSTANDING TEXAS’ EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE (WHETHER SOLE, CONCURRENT, ACTIVE OR PASSIVE) OR OTHER FAULT OR STRICT LIABILITY OF CUSTOMER OR TTI.

ARTICLE 6-MISCELLANEOUS

6.1 Assignment. Neither Party shall assign this Agreement or any rights obtained hereunder or delegate or subcontract any duty of performance owed hereunder without the prior written approval of the other Party. Any assignment made in contravention of this Section 8.1 shall be null and void for all purposes.

6.2 Independent Contractors. No formal business organization of any kind is established by this Agreement. The Parties expressly agree that the relationship created by and arising out of this Agreement is that of independent contractors entering into an arms-length transaction. No partnership or agency relationship between the Parties shall be created by this Agreement. Neither Party shall have the ability to act on behalf of, or bind, the other Party in any manner whatsoever.

6.3 Governing Law; Venue. This Agreement shall be governed by and construed according to the laws of the State of Texas, and, where applicable, the United States of America, excluding any applicable conflicts of laws provisions that would require the application of the laws of another jurisdiction. The Parties hereby attorn to the exclusive jurisdiction of the state or federal courts in Harris County, Texas.

6.4 Severability. If any provision of this Agreement is held to be void, invalid, or unenforceable, such provision will be construed as severable and will not in any way affect or render void, invalid or unenforceable any other provision of this Agreement, and this Agreement will be carried out as if the void, invalid, or unenforceable provision was not a part of this Agreement.

6.5 Remedies Cumulative. Except as otherwise provided herein, each and all of the rights and remedies provided in this Agreement, and each and all of the rights and remedies allowed at law and in equity in like case, shall be cumulative, and the exercise of one right or remedy shall not be exclusive of the right to exercise or resort to any and all other rights or remedies provided herein or at law or in equity.

6.6 No Waiver. No delay or omission on the part of any Party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement, nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

6.7 Authority, Reasonableness, Good Faith. The Parties represent and warrant to each other that they are authorized and have the authority to enter into this Agreement. Both Parties represent and warrant to each other that they consider the terms of this Agreement to be commercially reasonable and that they have negotiated this Agreement in good faith.

6.8 Counterparts. This Agreement may be executed in two original counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument representing the Agreement of the Parties.

6.9 Headings. The descriptive headings of the Sections in this Agreement are inserted for convenience only and do not constitute part of the Agreement.