

## TERMS AND CONDITIONS

- Acceptance.** This acknowledgment and acceptance is expressly limited to and made conditional upon Customer's unqualified acceptance of the terms and conditions contained herein and in the quotation, if any, previously furnished to Customer by Premium Oilfield Services, LLC ("Company"). Any of the Customer's terms and conditions which are in addition to or different from those contained herein which are not separately and expressly agreed to in writing (except additional provisions specifying quantity, character of the goods ordered, and shipping instructions) are hereby objected to and rejected. Products and Rentals are furnished and Services are rendered upon the terms and conditions herein, and these terms and conditions (regardless of any terms and conditions in Customer's purchase order, invoice, work order, or any other document) shall supersede all prior or subsequent oral or written agreements or understandings with respect to products and services. Customer's objection to any terms and conditions contained herein shall be deemed to have been waived if written notice of such objection is not received by Company within ten (10) days of the date of this ticket. Customer will be in any event be deemed to have assented to all terms and conditions contained herein if any part of the Products, Rentals, or Services described herein are accepted.

## 2. Definitions

- "Customer" refers to the person, firm or other entity to which services, equipment products or rentals are supplied or provided.
- "Group" refers to either Company or Customer and its respective co-invest owners, joint venturers, and its and their parents, affiliates, subsidiaries, and each of their respective officers, directors, contractors, subcontractors, consultants, agents, employees and invitees.
- "Claims" means all claims, losses, damages (including, but not limited to special, punitive, exemplary, general, compensatory, direct, indirect, incidental, or consequential damages), demands, causes of action, suits, proceeding, fines, penalties, taxes, judgments, liens, encumbrances, costs, obligations (including indemnities) and liabilities of every kind and character, under common law, equity, statute or otherwise, whether based on tort, contract or statute that may or could be asserted including, without limitation, actions in rem or in personam, civil or criminal actions, claims and/or causes of actions based on negligence, gross negligence, malice, intentional acts or omission, intentional infliction of emotional distress, equitable relief, joint and several liability, vicarious liability and/or responder at superior, personal injury, property damage, mental anguish, death past or future loss of wages or earning capacity, strict liability, wrongful death, and all reasonable expenses investigation, settlement, defense and litigation, court costs, attorneys' and experts' fees, arising out of, related to or in any way connected with these terms and conditions or any Work.
- "Force Majeure" includes acts of God, fire, floods, lightning, blizzards, earthquakes, ice storms, named tropical storms and hurricanes; terrorism, insurrection, revolution, piracy, and war; strikes, lockouts, and labor disputes (other than those strikes, lockouts and labor disputes of the party claiming Force Majeure which are within such party's reasonable control and may be resolved through reasonable efforts); federal or state laws; rules and regulations of any governmental or public authorities having or asserting jurisdiction over the premises of either or both parties; inability to procure material, equipment, or necessary labor, despite reasonable efforts; or similar causes (except financial) beyond the control of the affected party and which, through the exercise of diligent effort, such party cannot overcome.
- "Products" means oilfield goods, products, equipment, materials, supplies and manufactured articles sold by Company Group to Customer Group under these terms and conditions.
- "Rentals" mean any goods, tools, machinery, or equipment rented by Company Group to Customer Group under these terms and conditions.
- "Services" mean all services provided by Company Group to Customer Group under these terms and conditions including all services and equipment required to carry out the Work.
- "Third Party" means a party not a member of Company Group or Customer Group.
- "Work" means Products, Services and/or Rentals.

- Prices.** The prices quoted are not firm and may be increased without notice, unless otherwise agreed by Company. All prices are exclusive of all taxes, unless otherwise stated. Any sales or other tax or duty which Company may be required to collect or pay will be added to the price. If such amount is not included in the invoice, it may be invoiced separately.

- Terms of Payment.** Terms of payment are net thirty (30) days following invoice date unless otherwise stated. Past due amounts shall bear interest from the date due until paid at the highest lawful rate permitted by the State of Texas or the United States of America, whichever is lawfully higher, it being agreed by Customer that Company may charge and collect the maximum non-usurious rate of interest permitted by applicable law in effect from time to time. If any proceeding or suit is instituted against Customer to recover any past due amounts or to enforce this agreement, then Company is entitled to recover all of its costs and expenses related thereto, including its reasonable attorney's fees. If Customer's account becomes delinquent, Company shall have the right to revoke any and all previously applied discounts.

- Delivery, Storage, Shipment** Insurance and Freight. Delivery dates are estimated and are not guaranteed. If a specific shipping date is either not given or is estimated only, and is not promised on the face of this order or in a separate writing signed by Company, Company will not be responsible for delays in filing this order nor liable for any loss of damages resulting from such delays. If a specific shipping date is promised, Company will not be liable for delays resulting from causes beyond Company's control, including without limitation accidents to machinery, fire, flood, act of God or other casualty, vendor delays, labor disputes, labor shortages, lack of transportation facilities, priorities required by, requested by, or granted for the benefit of any governmental agency, or restrictions imposed by law or governmental regulation. If Customer is not able to accept the goods on the scheduled delivery date, Company reserves the right to either cancel the order in full or store the goods at Customer's expense. Method and order of shipment are at Company's discretion, unless Customer supplies explicit written instructions. As to the sale of any costs for insurance and freight. Company may fill this agreement by separate shipments of various portions of the goods and this agreement is severable as to all such shipments. Packing, crating, shipment to packers or to dock side, customs charges and all other costs relating to shipment, exportation and importation shall be at Customer's expense.

## 6. Title and Risk of Loss.

- Unless otherwise agreed between the parties, title to and risk of loss for goods sold will pass to Customer upon delivery to Customer's carrier at Company's facility. Customer will pay or reimburse Company for all freight, preparation, and in-transit insurance costs from the time of delivery. Customer agrees that title to and risk of loss for goods will pass to and remain with Customer, even if Company agrees to store the goods at a Company location until Customer receives delivery.

- The time, method, place or medium of payment will not in any way limit Company's rights in and to the goods until payment has been received in full. Customer grants to Company a security interest in all of Customer's equipment and material delivered pursuant to these Terms and Conditions. Customer agrees to sign all documents and do all things which in the opinion of the Company may be necessary or desirable for Company to perfect such security interest and in connection therewith authorizes (to the extent permitted by applicable law) Company to sign and publish file any financing statement on Customer's behalf as Customer's attorney-in-fact.

- Well Conditions; Notification of Hazardous Conditions.** Customer, having custody and control of the well and superior knowledge of the conditions in and surrounding it, shall provide Company with all necessary information to enable Company to perform the Work safely and efficiently. Company's Products, Services and/or Rentals are designed to operate under conditions normally encountered in the well bore or the work site; however, if hazardous or unusual conditions exist, Customer shall notify Company in advance and make special arrangements for servicing such wells. **NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, CUSTOMER SHALL WAIVE, RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH CUSTOMER'S OBLIGATIONS.**

- Independent Contractor and Risk of Operations.** Customer agrees and acknowledges that Company is an independent contractor. Neither Company nor any employee employed by Company shall be the agent, representative, employee or servant of Customer in the performance of such Work or any part hereof.

- Customer also agrees and acknowledges that all Company provided Work shall be under the direct supervision and control of Customer; that because of uncertain or unknown conditions and incidental hazards under which Work is provided, Company does not warrant or guarantee the results of the Work; and that all tools are run, equipment used and services rendered at Customer's sole risk. Well conditions which prevent satisfactory operation do not relieve Customer of its responsibilities for payment. CUSTOMER ASSUMES THE RISK FOR AND SHALL BE SOLELY RESPONSIBLE FOR ANY SUBSURFACE DAMAGE TO THE WELL OR RESERVOIRS OR FOR SURFACE DAMAGE TO PROPERTY OR INJURY TO PERSONS (INCLUDING INJURY, ILLNESS AND DEATH), WHICH MAY RESULT FROM OR ARISE OUT OF COMPANY'S WORK (IRRESPECTIVE OF THE CAUSE OF SUCH DAMAGE AND WHETHER OR NOT OCCASIONED BY COMPANY'S NEGLIGENCE, FAULT OR STRICT LIABILITY), INCLUDING DAMAGE CONSTITUTING OR RESULTING FROM POLLUTION, CUSTOMER SHALL DEFEND, INDEMNIFY AND HOLD COMPANY HARMLESS FROM ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES AND CAUSES OF ACTION FOR INJURY OR ILLNESS TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO OR DESTRUCTION OF REAL OR PERSONAL PROPERTY BELOW OR ABOVE THE SURFACE CAUSED BY COMPANY'S WORK, WHETHER OR NOT SUCH INJURY, ILLNESS, DEATH, DAMAGE OR DESTRUCTION IS CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE, FAULT, OR STRICT LIABILITY OF COMPANY, WHICH INDEMNITY OBLIGATIONS RESPECTING CUSTOMERS' EMPLOYEES OR AGENTS OR ITS SUBCONTRACTORS' EMPLOYEES OR AGENTS SHALL BE SUPPORTED BY U.S. \$500,000 OF LIABILITY INSURANCE TO BE FURNISHED BY CUSTOMER. Customer shall assume the entire responsibility for operations in which Customer or its contractors fish, attempt to fish or perform any retrieval operations that may jeopardize the retrievability or the integrity of Products or Rentals. Company will, without assuming liability and if so requested by Customer, render assistance for the recovery of such Products or Rentals.

## 9. Warranties and Disclaimers

- Services

- Company warrants that all Services performed hereunder shall be performed in a good and workmanlike manner in accordance with good oilfield practices.

- Company's sole liability and Customer's exclusive remedy in any cause of action for breach of the foregoing warranties for services arising out of Company's Services provided hereunder are expressly limited to, at Company's sole option, (i) replacement or re-performance of the defective Services if practical or (ii) refund to Customer the invoiced portion of the defective portion of the Services.

- Products

- Company warrants that Products furnished hereunder shall conform to the quality and specifications represented and relevant scope of work document. Company reserves the right, at its sole discretion, to use new, used or refurbished parts in the assembly of its Products. Company warrants all its Products to be free of defects in material and workmanship for a period of twelve (12) months from the date of delivery to the location designated in Order.

- The above warranty does not apply to: (i) rapidly wearing Products; (ii) ordinary wear and tear; (iii) Products that have been modified by anyone at Customer's request; (iv) Products supplied by Customer or purchased by Company at Customer's request; (v) abnormal well conditions; (vi) incorrect specifications provided by Customer; (vii) aggressive fluids; (viii) consumables; (ix) improper storage;
- handling of Products inconsistent with Company's recommendations; or (x) due to causes outside of Company's control including, Force Majeure events, vandalism or improper voltage supply.

- Company's sole liability and Customer's exclusive remedy under the foregoing warranty are expressly limited to the repair, replacement or refund of an equitable portion of the purchase price, at Company's sole option, of Products which prove to be defective within the warranty period as stated in (i) above. Any claim by Customer pursuant to Company's warranty shall be made immediately upon discovery and confirmed in writing within thirty (30) days after discovery of the defect with respect to which the claim is made. Defective items must be held for inspection or returned upon request to Company's designated facility, transportation prepaid and return shipments at Customer's expense. Company shall have the right to inspect the Products claimed to be defective and shall have the right to determine the cause of such defect. Products returned to Company for which Company provides replacement under this warranty shall become the property of Company.

- Rentals. Rentals hereunder are warranted to be free from defects in materials and workmanship. In the event that defects in materials or workmanship appear, Customer's remedy shall be exclusively limited, in the sole discretion of Company, to either (i) the replacement of affected rentals or (ii) proportionate rebate of the rental price of the defective rentals.

- Disclaimer of Warranties

**THE FOREGOING WARRANTIES IN THIS CLAUSE FOR WORK ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY COMPANY MAKES NO WARRANTY, EXPRESSED OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR PURPOSE, DESCRIPTION, QUALITY, PRODUCTIVENESS, ACCURACY OR ANY OTHER MATTER WITH RESPECT TO PRODUCTS, RENTALS, OR SERVICES, ALL SUCH WARRANTIES BEING HEREBY SPECIFICALLY AND EXPRESSLY DISCLAIMED BY COMPANY. COMPANY MAY OFFER TECHNICAL ADVICE OR ASSISTANCE WITH REGARD TO THE PRODUCTS, RENTALS, AND SERVICES BASED ON LABORATORY AND/OR FIELD EXPERIENCE AND CUSTOMER UNDERSTANDS AND AGREES THAT SUCH ADVICE REPRESENTS ONLY GOOD FAITH OPINIONS AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE. THE SOLE AND EXPRESS WARRANTY PROVIDED BY COMPANY IS TO WARRANT THAT THE PRODUCTS SOLD AS LISTED ON THE REVERSE SIDE HEREOF COMPLIES WITH COMPANY'S SOLE SPECIFICATION AT THE DATE AND TIME OF MANUFACTURE. COMPANY MAKES NO WARRANTY THAT SUCH PRODUCTS SHALL MEET SUCH SPECIFICATION AT ANY TIME AFTER SHIPMENT OF PRODUCTS. USE OF SUCH PRODUCTS IS SPECIFICALLY NOT WARRANTED.**

- Third Party Warranties. For Work supplied by Company's subcontractors, vendors, or suppliers, Company shall assign third party warranties, if any, to Customer, to the extent such warranties are assignable.

## 10. Limitation of Liability

- NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXPRESS OR IMPLIED, COMPANY'S LIABILITY FOR ANY CLAIM OR ACTION OF ANY KIND ARISING OUT OF, IN CONNECTION WITH OR RESULTING FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, USE OR REPAIR OF PRODUCTS OR RENTALS, OR SERVICES RENDERED BY COMPANY SHALL NOT EXCEED COMPANY'S PRICE FOR THE PRODUCTS OR RENTALS, COMPONENT PART THEREOF OR SERVICE WHICH GIVES RISE TO SUCH CLAIM OR ACTION, AND (2) COMPANY SHALL IN NO EVENT BE LIABLE FOR SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR CONSEQUENTIAL LIABILITIES ARISING OUT OF THIS AGREEMENT OR THE FAILURE OF ANY GOODS TO OPERATE PROPERLY, INCLUDING BUT NOT LIMITED TO ANY DAMAGES OCCASIONED BY DOWNTIME, DELAY LOST BUSINESS OPPORTUNITY, LOST HYDROCARBONS, POLLUTION, LOST PRODUCTION, LOSS OF OR DAMAGE TO THE HOLE, REPAIR COSTS, LOST PROFITS OR OTHERWISE, WHETHER OR NOT CAUSED BY OR RESULTING FROM THE NEGLIGENCE OF COMPANY. CUSTOMER ASSUMES ALL LIABILITY FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THE POSSESSION, USE OR APPLICATION OF SUCH PRODUCTS, RENTALS AND/OR SERVICES EITHER ALONE OR IN COMBINATION WITH OTHER SUCH PRODUCTS, RENTALS AND/OR SERVICES. Notwithstanding anything to the contrary herein, except as provided under Section 11, Company's liability arising from or in connection with an Order subject to these General Terms and Conditions (whether for indemnity, breach of contract, negligence, misrepresentation, or otherwise) shall not in any circumstances exceed the full value of the consideration owed to Company under such Order.**

## 11. Indemnification

**CUSTOMER SHALL PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND COMPANY AND ITS EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS, DEMANDS, LIENS, DAMAGES, CAUSES OF ACTION, JUDGMENTS, LOSSES AND LIABILITIES OF ANY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION WITH OR IN THE COURSE OF OR INCIDENTAL TO (1) CUSTOMER'S WORK OR OPERATIONS WITH THE COMPANY PRODUCTS, RENTALS, AND/OR SERVICES REGARDLESS OF CAUSE OR OF THE SOLE, CONCURRENT OR CONTRIBUTING FAULT OR NEGLIGENCE OF COMPANY OR ITS EMPLOYEES OR AGENTS; OR (II) ANY BREACH OF OR FAILURE TO COMPLY WITH ANY OF THE PROVISIONS OF THESE TERMS AND CONDITIONS.**

CUSTOMER SHALL RELEASE COMPANY OF ANY LIABILITY FOR, AND SHALL PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, EMPLOYEES AND JOINT OWNERS HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (INCLUDING PUNITIVE DAMAGES), WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE NEGLIGENCE OR STRICT LIABILITY OF COMPANY (INCLUDING THE SOLE NEGLIGENCE OF COMPANY), ANY PARTY OR PARTIES, ARISING IN CONNECTION HERewith IN FAVOR OF CUSTOMER'S EMPLOYEES (INCLUDING LEASED EMPLOYEES) OR CUSTOMER'S CONTRACTORS OR THEIR EMPLOYEES, OR CUSTOMER'S INVITEES, OR ANY OTHER PARTY OR ENTITY OTHER THAN COMPANY ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY. CUSTOMER SHALL BE LIABLE FOR AND INDEMNIFY, DEFEND AND HOLD HARMLESS COMPANY FOR ANY DAMAGES, EXPENSES, LOSSES, FINES, PENALTIES, COSTS, EXPERT FEES AND ATTORNEYS' FEES ARISING OUT OF A FIRE, BLOW OUT, CRATERING, SEEPAGE OR WILD WELL, INCLUDING REGAINING CONTROL THEREOF, DEBRIS REMOVAL AND PROPERTY RESTORATION AND REMEDIATION, REGARDLESS OF HOW AND WHEN SUCH WILD WELL IS CAUSED, INCLUDING THE NEGLIGENCE (INCLUDING SOLE NEGLIGENCE) OR STRICT LIABILITY OF COMPANY.

CUSTOMER SHALL RELEASE COMPANY OF ANY LIABILITY FOR, AND SHALL PROTECT, DEFEND AND INDEMNIFY CUSTOMER FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITY AND EXPENSES RESULTING FROM OPERATIONS RELATED TO THE WORK UNDER THIS AGREEMENT ON ACCOUNT OF INJURY TO, DESTRUCTION OF, OR LOSS OR IMPAIRMENT OF ANY PROPERTY RIGHT IN OR TO OIL, GAS OR OTHER MINERAL SUBSTANCE OR WATER, IF AT THE TIME OF THE ACT OR OMISSION CAUSING SUCH INJURY, DESTRUCTION, LOSS OR IMPAIRMENT SAID SUBSTANCE HAD NOT BEEN REDUCED TO PHYSICAL POSSESSION ABOVE THE SURFACE OF THE EARTH, AND FOR ANY LOSS OR DAMAGE TO ANY FORMATION, STRATA, OR RESERVOIR BENEATH THE SURFACE OF THE EARTH. THIS INDEMNITY APPLIES REGARDLESS OF HOW AND WHEN SUCH LOSS IS CAUSED, INCLUDING THE NEGLIGENCE (INCLUDING SOLE NEGLIGENCE) OR STRICT LIABILITY OF COMPANY.

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. COMPANY AND CUSTOMER EXPRESSLY AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE INDEMNITIES AND DISCLAIMERS OF WARRANTIES CONTAINED HEREIN ARE "CONSPICUOUS."

- Patent Indemnification.** Company agrees to indemnify Customer against costs and liabilities arising from claims by third parties that the goods provided hereunder infringe any valid United States Patent, provided that: customer immediately notifies Company in writing of any such claim; Company shall have exclusive control of litigating or settling the claim; and Customer shall assist Company in the defense of the claim as Company may reasonably require. In the event that Customer's use of the goods is enjoined, Company, in its sole discretion, shall have the option to (i) obtain a license for Customer to use the goods; (ii) modify the goods so as to make them substantially equivalent but non-infringing; (iii) replace the goods with goods that are substantially equal but non-infringing; or (iv) remove the goods and refund the purchase price. This indemnification shall not include consequential or indirect combination of the goods with other goods not supplied by Company, or to goods supplied to meet Customer's special specifications. **CUSTOMER AGREES TO INDEMNIFY AND DEFEND COMPANY AGAINST ANY AND ALL THIRD PARTY CLAIMS RELATING TO GOODS MANUFACTURED BY COMPANY TO CUSTOMER'S SPECIFICATIONS, NOTWITHSTANDING ANY NEGLIGENCE, STRICT LIABILITY, OR FAULT ON THE PART OF COMPANY.**

- Rental Equipment and Services.** Rentals shall remain the property of Company and shall be returned upon demand. Customer shall be liable for any loss of or damage caused to any Rentals while such items are within Customer's custody and control or below the rotary table. Customer shall be liable for the cost of or replacement of such Rentals, such cost to be determined according to Company's then current price list, price book, proposal and/or quotation. Accrued rental charges to the date of loss must also be paid. No accrued rental shall be applied

to the sales price of the Rentals. While being rented, Company shall retain title to all damaged or lost Rentals, and no title or other interest in damaged or lost Rentals shall accrue to Customer in such instance.

- Stocking of Customer's New or Used Equipment.** In the event that Customer goods are stored at Company's facility for any reason, Customer shall arrange for removal of such goods at Customer's expense within sixty (60) days (the "Removal Period") following Company's notice that such goods are ready for shipment. Any storage beyond the Removal Period shall be for Customer's account at a rate determined from time to time by Company in its sole discretion. Unless otherwise agreed in writing by Company, after the Removal Period (in addition to all other rights of Company), Company at its sole option and at any time may (i) ship such goods to Customer at Customer's expense; or (ii) sell such goods and apply the proceeds to Company's storage charges and any expenses of sale. **CUSTOMER RELEASES AND SHALL INDEMNIFY AND HOLD COMPANY HARMLESS FROM ANY CLAIM, LIABILITY OR OBLIGATION ARISING, DIRECTLY OR INDIRECTLY, FROM THE STORAGE, REMOVAL, RETURN, SALE, TRANSFER OR DISPOSAL OF SUCH GOODS NOTWITHSTANDING THE NEGLIGENCE, FAULT OR STRICT LIABILITY OF COMPANY.**

- Cancellation, Returns and Claims.** Orders for goods or parts of special design, size or materials are not subject to cancellation. No materials may be returned, credited or replaced, unless prior to their return arrangement for such return have been made and approved in writing by Company. In such event that Company so approves, Company may apply up to a twenty percent (20%) restocking charge, plus all freight, fees and other costs relating to such return. Claims for shortages or damage, or deductions for erroneous charges, must have Company's prior written approval and must be presented within thirty (30) days of receipt of goods by customer or its representatives. Should Customer violate any of these terms and conditions, become bankrupt, insolvent, go into receivership, or should any creditor or other person attach or levy Customer's property, Company shall immediately have the right, without notice, liability, or the institution of legal proceedings, to take and remove its rentals, tools, equipment, or materials wherever they may be found. **CUSTOMER SHALL WAIVE, RELEASE, PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS COMPANY FROM ANY AND ALL LIENS, CLAIMS, AND ENCUMBRANCES AGAINST THE RENTALS, TOOLS, EQUIPMENT, OR MATERIALS AND SHALL RETURN THE SAME TO COMPANY FREE AND CLEAR OF ANY LIENS, CLAIMS, OR ENCUMBRANCES.**

## 16. Modification of Tools

- Company's Rentals may not be dressed, changed, altered, or in any way modified by Customer, by anyone designated by Customer, or by an employee of Company without the express and specific approval of a manager or officer of Company. In the event Company's Rentals are so dressed, changed, altered, or in any way modified by Customer, Customer agrees to purchase such rentals at the current Company's sales price.
- Standard rental tools, materials, or equipment altered for a specific job will be sold to the Customer at the Company's current sales price, and an additional charge equal to the cost of the alterations, plus twenty-five percent (25%).
- Special tools, materials, or equipment built for a specific job shall be furnished at a minimum rental equal to the manufacturing cost, plus fifty percent (50%) of such cost. Additional modifications requested will be charged in the same manner.

## 17. Applicable Law and Enforcement

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND SHALL BE PERFORMABLE IN HARRIS COUNTY, TEXAS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES AND WAIVER OF SAME. EACH PARTY HERETO SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS IN HARRIS COUNTY, TEXAS AND THE FEDERAL COURTS IN AND FOR THE SOUTHERN DISTRICT OF TEXAS SITTING IN HOUSTON, TEXAS IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY DOCUMENT OR INSTRUMENT ENTERED INTO IN CONNECTION HEREWITH.

- Entire Agreement.** Except for the Terms and Conditions contained in or referenced in Company's current price list, price book proposal and/or quotation, this document contains the entire agreement of the parties relating to the subject matter hereof, and may not be amended except in a writing signed by an officer of Company.

- Miscellaneous.** All headings are for convenience and do not constitute a part of this agreement. Company and Customer expressly agree that the "U.N. Convention on Contracts for the International Sale of Goods" and the "Convention on the Limitation period in the International Sale of Goods" do not form a part of this agreement nor these Terms and Conditions and such Conventions are hereby expressly renounced for all purposes.

- Authority.** Customer warrants and represents that the individual receiving the order at issue on behalf of Customer has the authority to enter into these terms and conditions on behalf of Customer, and that upon receipt these terms and conditions shall be binding upon Customer.

- Termination.** Company reserves the right to terminate the order at issue, or any part hereof, solely for its convenience at any time without cause with notice to Customer. Company shall have the right to cancel any unfilled order without notice to Customer in the event that Customer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, violates a term of these terms and conditions, or is unable to meet its financial obligations in the normal course of business. In the event of such termination, Company shall immediately stop all work hereunder. Prior to delivery, Customer may terminate this order without cause upon thirty (30) day notice in writing to Company. In the event of such termination, Company at its sole option shall cause work up to thirty (30) days after such notice. Upon the cessation of work, Customer agrees to pay Company a reasonable termination charge consisting of a percentage of the invoice price, such percentage to reflect the value of the Work in progress completed upon the cessation of Work. Customer shall also pay promptly to Company any costs incurred due to paying and settling claims of Company's vendors or subcontractors arising out of the termination of the order by Customer.

- No Waiver.** Failure to enforce any or all of the provisions in these terms and conditions in any particular instance shall not constitute or be deemed to constitute a waiver of or preclude subsequent enforcement of the same provision or any other provision of these terms and conditions. Should any provision of these terms and conditions be declared invalid or unenforceable all other provisions of these terms and conditions shall remain in full force and effect.

- Force Majeure.** If Company is unable to carry out its obligations hereunder by reason of Force Majeure, then upon Customer's giving of notice and reasonably full particulars of such Force Majeure in writing to Customer, Company's obligations that are affected by Force Majeure shall be suspended during the continuance of the force majeure and Company shall not be liable to Customer for any damages incurred by the Customer as a result thereof. A Force Majeure event will not excuse making payments pursuant to an applicable Order or other commercial writing, performing indemnity obligations, or other duties not directly limited by the Force Majeure event. If a party is rendered unable, wholly or in part, by a Force Majeure event to perform, that party will give written notice detailing such Force Majeure event to the other party as soon as reasonably possible. If a Force Majeure event continues without interruption for ten (10) days, Company may cancel the applicable Order by giving written cancellation notice.

- Confidentiality.** Customer acknowledges the highly secret and valuable nature of all proprietary inventions, methods, processes, designs, know-how, and trade secrets embodied in the Company's equipment, products and services and its components (hereinafter referred to as "Confidential Data"). Accordingly, Customer agrees not to disclose or use any Confidential Data. Customer further agrees to take any and all necessary precautions to prevent disclosure of the Confidential Data associated with the Company's equipment, products and services and components thereof to persons other than those employees of Customer for whom such disclosure is necessary for performance of the work hereunder.

- Compliance.** Customer expressly agrees to comply with and abide by, all of the laws of the United States and of the relevant state where the Work is performed, including, but not limited to, OSHA, EPA and all rules and regulations now existing or that may be hereafter promulgated under and in accordance with any such law or laws, and hereby agrees to indemnify and hold Company harmless from any and all claims, demands, or damages incurred by Company arising from Customer's failure to comply with all laws and governmental regulations. The indemnities in this paragraph shall be in addition to any other indemnity obligations between Customer and Company, including any other indemnity obligations contained herein.

- Taxes.** Customer shall pay any and all taxes or other levies (other than income taxes) imposable or imposed by any government, governmental unit or similar authority with respect to the charges made or payments received in connection with Company's Work. Prices quoted by Company do not include sales, value added tax, use or similar taxes and such taxes, where applicable, shall be added to the quoted prices and invoiced accordingly. If, subsequent to the effective date of an Order, tax legislation is enacted or reinterpreted in a particular jurisdiction requiring Company to increase or adjust the taxes, duties or levies it collects on its Work, the Customer and Company agree to meet in good faith to adjust Company's compensation until Company can adjust its invoices accordingly.

**NO FIELD EMPLOYEE IS AUTHORIZED OR EMPOWERED TO ALTER THESE GENERAL TERMS AND CONDITIONS**