

# Texas Internal Pipe Coating, LLC

## Terms & Conditions

It is understood and agreed that these terms and conditions are a part of the consideration for any products or services provided by Texas Internal Pipe Coating (or referred to as the "Company"), and it is expressly understood that if such terms and conditions were not accepted by the Customer a greater cash consideration would be charged by Texas Internal Pipe Coating for the products and/or services furnished. Therefore, the products are furnished and services are commenced and rendered upon the following terms and conditions regardless of the terms and conditions of Customer's purchase order, work order or other similar document.

1. The products and services will be invoiced at the price shown in the current price list of Texas Internal Pipe Coating, to which shall be added charges for mileage, transportation, freight, packing and other related charges, if any, and any federal, state or local tax which may be applicable on the sale or use of the products or services.

2. Customer agrees to pay Texas Internal Pipe Coating at its principal office in Madisonville, Madison County, Texas, for the above mentioned products or services and related charges on or before thirty (30) days from invoice date. Any amounts unpaid at the end of thirty days shall bear interest at the greater of one and one-half percent (1 1/2%) per month or the maximum rate allowed by law and, an amount, which shall not be less than twenty percent (20%) of the amount outstanding shall be due and payable as attorney's fees if collected by an attorney or through legal proceedings.

3. All equipment and/or material received by Texas Internal Pipe Coating for application of coating will be insured against physical loss while in Texas Internal Pipe Coating's possession. Other than hereinafter indicated, all responsibility and liability of Texas Internal Pipe Coating relating thereto shall cease when the Customer's equipment and/or material is delivered to a common carrier (whether or not chosen by Customer) or service company or other party designated by the Customer.

4. In connection with the application of coating or sale of coating material Texas Internal Pipe Coating makes no warranty, expressed or implied, as to merchantability, fitness for purpose sold, description, quality, productiveness or any other matter, concerning the materials or services furnished other than that they shall be of the quality and specifications stated in the current price list and shall be as stated thereon as of the time of completion of the coating or shipment of the materials from Texas Internal Pipe Coating's coating plant. Texas Internal Pipe Coating offers technical advice concerning its products and services and their use based on laboratory and/or field experience, and such advice represents good faith opinions only and does not constitute a warranty or guarantee. Texas Internal Pipe Coating prefers that the Customer instruct Texas Internal Pipe Coating as to what areas of the Customer's equipment and/or materials should or should not be coated, but in the absence of such instruction Texas Internal Pipe Coating will exercise its best judgment in determining what areas shall be coated.

5. Unless otherwise directed in writing, Customer hereby authorizes the Company to perform grinding to the Customer's equipment and/or materials. The Customer shall indemnify and hold the Company harmless from any and all liability resulting directly or indirectly from such grinding.

6. The results of pipe inspection and surveys reported by Texas Internal Pipe Coating to the Customer and any technical advice concerning Texas Internal Pipe Coating's products and services represent good faith opinions only and are not to be considered warranties or guarantees of quality, classification, merchantability, fitness for purpose sold, or usability of pipe or other items inspected.

7. Notwithstanding any other terms or provisions herein contained, Texas Internal Pipe Coating's liability in connection with the products sold or the services rendered shall be only to the Customer and this liability shall be limited to replacement, recoating, re-inspection or re-working the pieces of equipment where the material or service is found to be defective as a result of Texas Internal Pipe Coatings' negligence; or Texas Internal Pipe Coating may determine to give the Customer a credit memorandum for the invoiced amount of such work. No claim with respect to products sold or services rendered shall in any event be allowable against Texas Internal Pipe Coating in excess of the price charged the Customer by Texas Internal Pipe Coating in respect to such items. It is expressly understood that Texas Internal Pipe Coating shall not in any event be liable for any special or consequential damage, including but not limited to blowout, explosion, leakage, pollution, surface or subsurface damage whether caused, occasioned by or contributed to by Texas Internal Pipe Coating.

Should the material or work of Texas Internal Pipe Coating be found to be defective or fail to meet the specifications stated herein or if no specifications are stated hereon then the standard specifications of Texas Internal Pipe Coating used in similar circumstances, then in that event the Customer should immediately notify Texas Internal Pipe Coating so that Texas Internal Pipe Coating may investigate and determine the cause of such failure. All work and material furnished by Texas Internal Pipe Coating will be considered as acceptable by the Customer unless a claim is made by the Customer within ninety (90) days after completion of the work by Texas Internal Pipe Coating.

8. If the Customer's equipment and/or material is stored on Texas Internal Pipe Coating premises after Texas Internal Pipe Coating has completed its work thereon Texas Internal Pipe Coating will not be liable for the deterioration of such equipment and/or material resulting from atmospheric conditions and other Acts of God, or other occurrences not within the reasonable control of Texas Internal Pipe Coating.

9. Any material stored on Texas Internal Pipe Coating premises after Texas Internal Pipe Coating has completed its work thereon shall be subject to a storage charge after ninety (90) days unless customer has entered a separate agreement with Texas Internal Pipe Coating concerning those materials.

10. Any materials classified as "Rejects" or "Inspection Rejects" stored on Texas Internal Pipe Coating's premises after Texas Internal Pipe Coating has completed its work thereon,

or determined it cannot complete its work thereon, will in addition to being subject to a storage charge be deemed "Abandoned Property" and may be disposed of by Texas Internal Pipe Coating without accounting to customer, and customer agrees to hold Texas Internal Pipe Coating harmless from any claims or damages on account of and such disposal. Any other materials will be deemed "Abandoned Property" and disposed of as set forth in this Paragraph 10 if stored in excess of one (1) year after Texas Internal Pipe Coating has completed its work thereon.

11. Any materials classified as "Hazardous" or "Dangerous" pursuant to any state or federal law or regulation shall remain the responsibility of customer. Notwithstanding any disposition by Texas Internal Pipe Coating as set forth in item 10 above, customer shall remain responsible for and indemnify and hold Texas Internal Pipe Coating harmless from any claim, damage, penalty assessment, fine or any liability whatsoever arising out of or occasioned by either the storage or handling of such hazardous or dangerous materials.

12. Texas Internal Pipe Coating shall endeavor to make timely delivery of any orders placed but shall not be liable for failure or delay in delivery due to differences with workmen, local labor shortages, government regulations, fire, flood, Acts of God or other casualties or causes beyond the reasonable control of Texas Internal Pipe Coating, either of similar or dissimilar nature than those enumerated.

13. The terms and conditions set forth herein evidence the entire agreement between the parties and may be changed and altered only by written instrument executed by a duly authorized officer of the Company. Texas Internal Pipe Coating does not assume any liability by virtue of Customer work orders, purchase orders or other similar documents regardless of date of execution.

14. Failure to enforce any or all of the above terms and conditions in a particular instance, or instances, shall not constitute a waiver of or preclude subsequent enforcement.

15. In the performance of services performed by Texas Internal Pipe Coating it is agreed that Texas Internal Pipe Coating shall be and remain an independent contractor.

16. These terms and conditions shall be construed and interpreted according to the laws of the State of Texas.