



GENERAL TERMS AND CONDITIONS

Effective September 6, 2005

(See paragraph #3 for Hold Harmless Terms)

The items to which these General Terms and Conditions refer are the items supplied or sold by Titan Specialties, Ltd. (hereinafter referred to as "Titan") to the purchaser thereof (hereinafter referred to as "Buyer"). These items are sold only under the following General Terms and Conditions:

1. Price.

(a) All prices are expressed in United States dollars net FOB (or FCA if Buyer is located in any jurisdiction outside the United States of America) Titan's facility in the United States of America, as specified in Titan's quotation or other sale documentation, and unless otherwise agreed in writing by Titan, are subject to change without notice and are at the prices in effect at the time of order placement. Quotations will be given on request for any item(s) offered by Titan. Quotations will remain in effect only for the period of validity specified therein or, if no such period is stated, for thirty (30) days from the date the quotation is given.

(b) All prices are exclusive of costs of transportation and insurance and federal, state and local use, sales, property (ad valorem) and similar taxes and license fees, import duties and the like. Buyer agrees, by purchase of an item, to pay such costs, taxes, fees and duties, and where appropriate, report the same. When applicable, such costs, taxes, fees, and duties will appear as separate items on Titan's invoice.

2. Payment.

(a) Payment for all items is net cash United States funds on delivery or shipment except that a Buyer with an established credit account currently approved by Titan shall pay net cash within thirty (30) days following invoice date. Partial shipments will be invoiced as made. Invoices are payable in Pampa, Gray County, Texas, USA. All payments shall be made in U.S. dollars, legal currency of the United States of America, to the exclusion of any other currency.

(b) Interest from due date until payment at the maximum rate allowable by law but in any event not more than eighteen percent (18%) per annum will be charged on invoices unpaid sixty (60) days after due date. If unpaid amounts are collected through legal proceedings or an attorney, Buyer shall pay reasonable attorneys' fees and court costs. Titan shall never be entitled to receive, collect or apply as interest any amount in excess of the highest non-usurious rate of interest permitted by applicable law (the "Maximum Rate"). In the event that Titan ever receives, collects or applies as interest any amount in excess of the Maximum Rate, the amount which would be excessive interest shall be deemed to be a partial payment on the amount Buyer owes to Titan, or if Buyer does not owe any amount to Titan, any remaining excess shall be paid to the Buyer, and in such event, Titan shall not be subject to any penalties provided by any law for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum Rate.

3. Hold harmless terms.

(A) BUYER AGREES TO UNCONDITIONALLY PROTECT, DEFEND, INDEMNIFY AND HOLD TITAN, ITS EMPLOYEES, OFFICERS, AGENTS, AFFILIATES AND SUBSIDIARIES HARMLESS FROM AND AGAINST ALL DEMANDS, CLAIMS, SUITS, CAUSES OF ACTION, COSTS, EXPENSES, AND DAMAGES THAT TITAN MAY AT ANY TIME SUFFER OR SUSTAIN OR BECOME LIABLE FOR UNDER ANY LEGAL THEORY, INCLUDING WITHOUT LIMITATION,

CONTRACT, WARRANTY, DECEPTIVE TRADE PRACTICE, NEGLIGENCE, PRODUCT LIABILITY AND STRICT LIABILITY IN TORT, BY REASON OF ANY ACCIDENTS, DAMAGES OR INJURIES, EITHER TO PERSONS OR PROPERTY OR BOTH, OF BUYER, OF ANY THIRD PARTY(S), OR OF TITAN OR ANY PERSONS OR FIRMS AFFILIATED WITH TITAN, THAT ARISE OUT OF OR RELATE TO THE USE OR MISUSE OF ANY ITEM SOLD HEREUNDER, INCLUDING, BUT NOT LIMITED TO, ANY USE OR MISUSE OF THE ITEM BY BUYER'S OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, AFFILIATES, SUBSIDIARIES, OR ANY OTHER PERSON OR ENTITY TO WHOM THE ITEM HAS SUBSEQUENTLY BEEN SOLD OR TRANSFERRED. BUYER FURTHER AGREES THAT TITAN, ITS OFFICERS, EMPLOYEES, AGENTS, AFFILIATES AND SUBSIDIARIES, SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO BUYER BY WAY OF ANY INDEMNITY THEORY, WHETHER BASED ON STATUTE, INCLUDING BUT NOT LIMITED TO, CHAPTER 82 OF THE TEXAS CIVIL PRACTICES & REMEDIES CODE, CONTRACT OR THE COMMON LAW.

(B) IN ADDITION TO THE INDEMNITY GRANTED BY BUYER TO TITAN AND BUYER'S WAIVER OF INDEMNITY FROM TITAN IN THE ABOVE SUBPARAGRAPH (A), BUYER FURTHER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD TITAN, ITS EMPLOYEES, OFFICERS, AGENTS, AFFILIATES AND SUBSIDIARIES, HARMLESS FROM AND AGAINST ALL DEMANDS, CLAIMS, SUITS, CAUSES OF ACTION, COSTS, EXPENSES, AND DAMAGES THAT TITAN MAY AT ANY TIME SUFFER OR SUSTAIN OR BECOME LIABLE FOR UNDER ANY LEGAL THEORY, INCLUDING WITHOUT LIMITATION, CONTRACT, WARRANTY, DECEPTIVE TRADE PRACTICE, NEGLIGENCE, PRODUCT LIABILITY AND STRICT LIABILITY IN TORT, BY REASON OF ANY ACCIDENTS, DAMAGES, OR INJURIES, EITHER TO PERSONS OR PROPERTY OR BOTH, OF BUYER, OF ANY THIRD PARTY(S), OR OF TITAN OR ANY PERSONS OR FIRMS AFFILIATED WITH TITAN, THAT ARISE OUT OF OR RELATE TO THE USE OR MISUSE OF ANY ITEM SOLD HEREUNDER THAT IS CAUSED BY OR RESULTS FROM THE SOLE OR CONCURRENT NEGLIGENCE OF TITAN, ITS OFFICERS, AGENTS, EMPLOYEES, AFFILIATES OR SUBSIDIARIES, IN THE DESIGN, MANUFACTURE, MARKETING, SALE OR DISTRIBUTION OF AN ITEM SOLD HEREUNDER. IT IS AGREED THAT BUYER'S INDEMNITY OBLIGATION UNDER THIS SUBPARAGRAPH (B) SHALL BE LIMITED TO THE SUM OF \$500,000 AND SHALL BE SUPPORTED BY LIABILITY INSURANCE COVERAGE PROVIDED BY BUYER THAT IS SUFFICIENTLY ENDORSED TO WAIVE ANY AND ALL CLAIMS BY THE UNDERWRITERS OR INSURERS AGAINST TITAN.

4. Delivery Dates and Excusable Delays.

All shipment and/or delivery dates are subject to Titan's availability schedule. If Buyer is located in a jurisdiction outside the United States of America, Titan's obligation to deliver the items sold under these General Terms and Conditions shall be fully discharged upon delivery of the items FCA, Titan's warehouse in Pampa, Texas. For purposes of these General Terms and Conditions, the term FCA shall have the meaning set forth in the INCOTERMS 2000 published by the International Chamber of Commerce, Paris. Titan will make every reasonable effort to meet any delivery date(s) quoted; however, Titan will not be liable for its failure to meet any quoted delivery date(s) or for any delay in performance due to any unforeseen circumstances or any causes beyond Titan's control including, without prejudice to the foregoing generality, strike, lockout, riot, war, fire, acts of God, accident, failure or breakdown of parts necessary for completions, subcontractor, supplier, Buyer caused delays, inability to obtain labor, materials or manufacturing facilities, or compliance with any law, regulation or order, whether valid or invalid, of any governmental body or instrumentality thereof. Performance shall be deemed suspended during and extended for such time as any such circumstances or causes delay its execution. Whenever such circumstances or causes have been remedied, Titan will make and Buyer shall accept performance hereunder. No penalty clause of any kind shall be effective. As used herein, performance shall include, without limitation, fabrication, assembly, shipment, delivery and warranty repair or replacement, as applicable.

5. Packing.

All items shall be packed, if appropriate, for shipping and storage in accordance with standard commercial practices. See paragraph 8 for return shipment packaging.

6. Shipment.

(a) All prices are net FOB (or FCA if Buyer is located in any jurisdiction outside the United States of America) Titan's facility in the United States of America, as specified in Titan's quotation or other sale documentation. Buyer will pay all rigging, draying and transportation charges.

(b) Normally Titan will ship in accordance with Buyer's shipping instructions. In the absence of shipping instructions or unsuitable Buyer's shipping instructions, Titan reserves the right to ship by an appropriate method.

7. Passage of Title.

Title to items sold and risk of loss and damage shall pass to Buyer upon delivery by Titan to common carrier for shipment to Buyer, or to buyer directly, as the case may be.

8. Changes, Cancellations and Returns.

(a) General

(1) Titan reserves the right to change design(s), materials and specifications, and to discontinue item(s) without any notice or liability to Buyer.

(2) If Buyer issues a change order or cancels an order, Buyer shall be liable to pay to Titan the whole cost and loss incurred by Titan resulting from such change or cancellation, as such is determined by Titan, which shall include all costs, direct and indirect, plus a pro rata proportion of normal profit.

(3) No credit shall be given for any item returned unless returned with the prior approval of an authorized representative of Titan authorizing the return by issuing the Buyer a Return Material Authorization (RMA). Only sales managers, major department managers, or officers of Titan are authorized to approve return of items. Risk of loss or damage in respect of any item returned with Titan's authorization will remain with Buyer until redelivered to Titan. A charge of not less than fifteen percent (15%) or such larger amount as Titan may consider reasonable in the circumstances, with a minimum of \$10.00 per item, will be charged by Titan on all items returned to pay for cost of inspection, repacking, handling, credit arrangements, etc. Titan shall not be responsible for holding or accounting for any items returned without prior authorization by Titan unaccompanied by the required RMA. If freight and other transportation costs are not prepaid on any returned item, the cost thereof will be deducted from the credit issued. No credit will be given on any non-standard item manufactured at the request of Buyer, or to the individual specifications of Buyer.

(4) All gun hardware and other items used with explosives must be inspected to assure that there are no explosive present before packing and return shipment to Titan. All returns require a Return Material Authorization (RMA) [see §8(a)(3)]. Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

(5) A copy of the original packing list must accompany all requests for returns.

(b) Explosives Items

(1) Explosives items are regulated by and must comply with regulations of a number of governmental agencies. As applicable, the Buyer must assure compliance with all regulations.

(2) The sale of all explosives items is final. Exceptions specifically stated in this section apply only if they are processed and approved as indicated.

(3) With the prior approval of the Titan Manager of the selling location, items in unopened packages may be returned for credit within 30 days of the date of the sale provided the following conditions are met.

[a] Items must be "normally stocked" items. Other items such as "special orders" are not eligible for return.

[b] The items must be in the original, clean, dry and undamaged packaging. All package labeling and marking must be in original condition and securely attached to the packages. The packages and explosive items must be in sellable condition.

[c] As shipper of the return items, the Buyer must execute all appropriate and required regulatory and freight shipping papers. Shipments must be in full compliance with all applicable regulations and laws.

Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

[d] If freight and other transportation costs are not prepaid on any returned item, the cost thereof will be deducted from the credit issued. In the event that the explosive items can be picked up by Titan in the course of another delivery, at the discretion of Titan the return freight and other transportation costs may be waived.

[e] Prior to the return, the Buyer must receive authorization for the return by (a) identifying the item (part number, description, date(s) of manufacture as indicated on the package label, quantity, weight), (b) certifying that the items are in their unopened, "like new" package, and to the best of the Buyer's knowledge the items in the package are undamaged, (c) obtaining the required Return Material Authorization (RMA) from Titan, and (d) obtaining written approval (included in the RMA) of the Titan Manager of the selling location. When the Buyer has obtained the required authorization, the Buyer must notify the Titan Manager of the shipping details and expected delivery date. No credit will be given unless these procedures are fully complied with.

[f] RETURNS NOT MEETING THE STATED REQUIREMENTS MAY HAVE TO BE DESTROYED IN ACCORDANCE WITH HAZARDOUS MATERIAL DISPOSAL REGULATIONS. SUCH RETURNS MAY BE SUBJECT TO A CHARGE OF UP TO \$10.00 PER POUND (GROSS WEIGHT OF ENTIRE SHIPMENT), OR SUCH LARGER AMOUNTS AS TITAN MAY CONSIDER REASONABLE. TITAN IS NOT IN THE HAZARDOUS MATERIAL DISPOSAL BUSINESS. Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

(4) Titan may from time-to-time accept prior authorized return of explosive items in previously opened or damaged packages (but repackaged for shipment, if necessary) if we have shipped the wrong item (not in accordance with a written purchase order), if the item is subject to a Titan "recall," or for other reasons as deemed appropriate by Titan. All returns require a Return Material Authorization (RMA) {see §8(b)(3)[e]}.

[a] Packaging of explosives items is regulated by governmental agencies. Return packaging must comply with these regulations. Unless specifically approved by governmental agencies, different explosives items cannot be mixed in a package. The items must be packaged in exactly the same way as the original package. Return packaging material must be identical to the original packaging (from same package manufacturer, in accordance with the governmental packaging approval). In some cases, alternate packaging conforming to the Institute of Makers of Explosives publication IME SLP 22 is allowed. Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

[b] The items must be in (a) serviceable original packaging, with internal packaging in original condition, and items packaged in an identical manner as the original, (b) approved replacement original packaging (complete, to the same packaging approval as the original), or (c) if allowed, an IME 22 Container.

[b] All package labeling and marking must be in original condition and securely attached to the packages. Labels and markings must include the correct part number, description, date(s) of manufacture as indicated on the original package label, quantity, weight, and required hazardous material markings and labels.

[c] If the Buyer believes that it is not possible to meet the regulatory requirements for packaging, Titan's VP – Energetics Division will determine the packing and shipping method to be used (in compliance with applicable regulations).

[d] As shipper of the return items, the Buyer must execute all appropriate and required regulatory and freight shipping papers. Shipments must be in full compliance with all applicable regulations and laws. Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

[e] Prior to the return, the Buyer must receive authorization for the return by (a) identifying the item (part number, description, date(s) of manufacture as indicated on the package label, quantity, weight), (b) describing packaging used, and certifying that it is the same as the original packaging or is in an alternate packaging specified by Titan's VP – Energetics Division, (c) obtaining the required Return Material Authorization (RMA) from Titan, and (d) obtaining written approval (included in the RMA form) of the Titan Manager of the selling location (who must receive approval from Titan's VP – Sales for sales/distribution related returns, from Titan's VP – Energetics Division for technical or quality related returns, or from an officer of Titan). When the Buyer has obtained the required authorization, the Buyer must notify the Titan Manager of the shipping details and expected delivery date. No credit will be given unless these procedures are fully complied with.

[f] RETURNS NOT MEETING THE STATED REQUIREMENTS MAY HAVE TO BE DESTROYED IN ACCORDANCE WITH HAZARDOUS MATERIAL DISPOSAL REGULATIONS. SUCH RETURNS MAY BE SUBJECT TO A CHARGE OF UP TO \$10.00 PER POUND (GROSS WEIGHT OF ENTIRE SHIPMENT), OR SUCH LARGER AMOUNTS AS TITAN MAY CONSIDER REASONABLE. TITAN IS NOT IN THE HAZARDOUS MATERIAL DISPOSAL BUSINESS. Titan will report shipments not in full compliance with all applicable regulations and laws to the Buyer's safety and/or regulatory compliance officers, and as appropriate to regulatory agencies such as US DOT and/or ATF.

9. Other Manufacturer's Equipment.

If any items sold to Buyer by Titan contain any parts or materials obtained by Titan from any other party, these parts or materials are sold to Buyer AS IS. **AS TO ANY SUCH PARTS OR MATERIALS, TITAN EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. BUYER'S REMEDY FOR ANY FAILURE OR DEFECT IN SUCH PARTS OR MATERIALS IS LIMITED TO REPAIR OR REPLACEMENT AS PROVIDED IN PARAGRAPH 12 BELOW. FURTHER, WITH RESPECT TO SUCH PARTS OR MATERIALS, TITAN DISCLAIMS LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

10. Use and Acceptance of Item.

Buyer warrants, by purchase of an item, that Buyer is familiar with the item and its proper use. Before using any item, Buyer shall give the item reasonable and prudent examination and/or tests to determine the suitability of the item for Buyer's intended use. Buyer shall be deemed to have accepted any item by the Buyer's use of the item, or in any event, no later than thirty (30) days after the first to occur of the date of shipment or delivery unless, before that time, Titan received written notice of any defect or nonconformity from Buyer.

11. Assistance to Customer.

At Buyer's request, Titan may make Titan employees available to Buyer to train Buyer to operate items supplied by Titan or to perform other actions as agreed between Buyer and Titan. If Titan does make Titan employees available to Buyer, it is only on the conditions that the employees shall be under the direction and control of Buyer, Buyer shall supply all necessary equipment and supplies for the proper performance of the services performed by the employees, and Titan shall have no liability whatever to Buyer for the employees during the time that the employees are under Buyer's direction and control. In addition, Buyer agrees that it will be responsible to Titan for any acts or occurrences or omissions of the employees, and agrees to the terms and conditions of paragraph 13 below with respect to the acts of such employees.

12. Repair of Items.

Repairs to any item supplied by Titan and repaired at Buyer's request outside the normal working hours of 8:00 am to 5:00 pm, (Monday through Friday) shall be charged by Titan at double the labor rate otherwise chargeable.

13. Limited Warranty and Remedy.

(a) Titan is not liable for incidental, consequential, or special damages. UNDER NO CIRCUMSTANCES WILL TITAN BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES WITH RESPECT TO ANY GOODS OR SERVICES PROVIDED BY TITAN TO BUYER OR ANY THIRD PARTIES.

(b) Buyer's remedies are limited to repair and replacement. Buyer's remedies for any and all breaches of any nature, including without limitation breaches of contract and warranty, are limited to the remedies of repair and replacement as specifically stated in this agreement. The remedies provided herein are the exclusive remedies of Buyer for failure of Titan to meet its warranty obligations, whether claims of Buyer are based on contract, in tort or otherwise, and upon expiration of the applicable warranty period, all obligations of Titan for breach of warranty will terminate.

(c) Disclaimer of warranties not expressly stated. **THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS OR IMPLIED. TITAN EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.**

(d) Limited warranty. Titan warrants each item sold by it to Buyer (excluding any part or parts which are components to the item and are subject to Paragraph 8 above concerning parts supplied by others) to be free from defects in materials and workmanship if, and only if, all of the following conditions are met:

(1) The item claimed to be defective has been exposed only to normal storage, use, and service, has been reasonably maintained, has not been subjected to misuse, negligent use, or accident which caused the item to suffer a defect, and has not been repaired or altered except by an authorized representative of Titan;

(2) The item claimed to be defective has been returned at Buyer's expense, using a Return Material Authorization (RMA) and the return procedures of §8 (Changes, Cancellations and Returns), to Titan's plant at Pampa, Texas (or to such other location as Titan may designate), within ten (10) days after Buyer first discovers the alleged defect;

(3) The alleged defect in the item is actually caused by a defect in materials or workmanship originally supplied by Titan as opposed to materials or workmanship originally supplied by others; and

(4) The item is not one that is expendable in normal use and which has been expended in normal use.

(5) This warranty shall be in effect until 6 months after receipt by Buyer, except: a) Subsurface electronic equipment is warranted only until 90 days after date of sale to purchaser. b) Scintillation detectors are warranted only to be in working condition upon delivery to purchaser, and c) No subsurface electronic equipment is warranted against damage occurring when used in a down-hole drilling environment such as MWD or LWD operations.

(6) No subsurface electronic equipment will be warranted that has been modified or repaired by someone other than Titan's approved representative. Equipment that has had its serial number or temperature indicator altered, defaced or removed will not be warranted.

(e) Limited remedies available under warranty. Titan's liability under the limited warranty described above shall be limited to the repair or replacement of the items sold hereunder. Titan will repair or replace the item at no cost to Buyer, but the decision as to whether to repair or replace will be solely that of Titan's. In addition, Buyer shall pay or reimburse Titan for the cost for wear and tear to each item arising from normal use and service, or at Titan's option, Buyer shall refund an equitable proportion of the purchase price. Repairs or replacement items are only warranted for the remaining un-expired portion of the warranty period.

(f) Notice of claims required. All claims under the warranty set out in this agreement must be made promptly after the alleged defect occurs and must be received by Titan within the warranty period. The claim must include the item's description, part number, serial number (if any), date of shipment or delivery and a full description of the circumstances giving rise to the claim. Any item returned under claim of defect shall be sent prepaid by appropriate transportation. Buyer is responsible for all damage or loss resulting from improper packing or handling, and for any loss or damage occurring during the transmission of the item to Titan. If any item is returned and is found not to be defective, Titan will notify Buyer and, at Buyer's option, will return the item to Buyer at Buyer's expense. Further, in this event, Buyer will reimburse Titan for all costs incurred in testing and examining the item.

14. Miscellaneous.

(a) All of these General Terms and Conditions including Buyer's agreements to hold Titan harmless and indemnify Titan shall also apply in favor of all employees, agents, affiliates, and subsidiaries of Titan.

(b) Order confirmation by Titan of any item to be supplied by Titan shall constitute Titan's offer to sell the item in accordance with the terms, provisions and conditions of this Agreement. Buyer's acceptance of Titan's offer shall be limited to the terms, provisions and conditions of this Agreement. Any proposed acceptance by Buyer under terms, provisions or conditions that vary from, conflict with, or modify the terms, provisions and conditions of this Agreement shall not be effective. Neither Titan's commencement of performance under this Agreement nor delivery of any item shall be construed as or deemed to be acceptance by Titan of any term, provision or condition that varies from, conflicts with, or modifies the terms, provisions and conditions contained in this Agreement.

(c) This Agreement constitutes the entire understanding and agreement of Titan and Buyer with respect to the sale of the item or items described in this Agreement, and contains all of the covenants and agreements of Titan and Buyer with respect thereto. Acceptance of the item by Buyer will evidence Buyer's acknowledgement that no representations, inducements, promises or agreements, oral or written, have been made by Titan or anyone acting on behalf of Titan, which are not contained herein, and any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. This Agreement may not be altered, changed or amended except by an instrument in writing signed by Titan and Buyer.

(d) Failure by Titan to enforce any or all of these General Terms and Conditions in any case or cases shall not constitute a waiver of or preclude subsequent enforcement of any or all of such General Terms and Conditions.

(e) Any attempted or purported assignment or transfer of any of the rights, duties or obligations herein contained shall render such attempted or purported assignment or transfer null and void, provided that Titan may perform and fulfill all or any of its obligations hereunder by or through any subsidiary and affiliate. If any provision of these terms and conditions is capable of more than one construction, the provision shall be interpreted in the manner which will render it valid. If any provision is determined to be void, the determination shall not affect any other provision and all other provisions not construed to be void shall remain in full force and effect.

15. Arbitration.

ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR WITH REGARD TO ITS INTERPRETATION OR BREACH, SHALL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") (OR THE INTERNATIONAL ARBITRATION RULES OF THE AAA IF THE BUYER IS LOCATED IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA). Unless otherwise required by applicable law, the parties hereto agree to arbitrate their differences in Dallas, Texas. The arbitration proceedings shall be conducted in English. The parties further agree that all claims of any type by either party, including defenses and counterclaims, shall be included in the arbitration. Either party may send written notice to (a) the other party, and (b) any Regional Office of the American Arbitration Association invoking the binding arbitration provisions of this paragraph. The parties further consent to the jurisdiction of one of the state district courts sitting in Dallas County, Texas, or the United States District Court for the Northern District of Texas, Dallas Division, to enforce the provisions of this paragraph and/or to confirm any award rendered by the arbitrator.

16. Limited Statute of Limitations.

AS PERMITTED BY Tex. Bus. & Com. Code Ann. §2.725, THE STATUTE OF LIMITATIONS FOR ANY BREACHES OF CONTRACT AND WARRANTY IS AGREED TO BE ONE YEAR FROM THE DATE THE CAUSE OF ACTION ACCRUES.

17. Choice of Law.

ANY AGREEMENT OR TRANSACTION TO WHICH THESE GENERAL TERMS AND CONDITIONS APPLY SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF TEXAS. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR WITH

REGARD TO ITS INTERPRETATION OR BREACH SHALL BE GOVERNED BY AND CONSTRUED, INTERPRETED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, INCLUDING, BUT NOT LIMITED, TO TEXAS SUBSTANTIVE AND PROCEDURAL LAW AND THE TEXAS VERSION OF THE UNIFORM COMMERCIAL CODE. NO DOCTRINE OF CHOICE OF LAW SHALL BE USED TO APPLY THE LAWS OF ANY OTHER STATE, NATION, OR JURISDICTION. THE PARTIES AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THIS AGREEMENT OR ANY TRANSATION SUBJECT TO THESE GENERAL TERMS AND CONDITIONS.

18. Use Agreement.

Use of the items supplied or sold by Titan to Buyer shall constitute agreement of Buyer to these General Terms and Conditions.

19. U.S. Export Compliance.

Buyer specifically acknowledges that any items supplied to Buyer under these General Terms and Conditions may be subject to the jurisdiction of the U.S. Export Administration Regulations ("EAR") (Title 15 of the U.S. Code of Federal Regulations Part 730 *et seq.*) and U.S. trade embargo regulations (Title 31 of the U.S. Code of Federal Regulations Part 500 *et seq.*). Accordingly, Buyer agrees, and, if applicable, shall cause each of its customers who in turn acquires items sold under these General Terms and Conditions to agree, that no item supplied or sold under these General Terms and Conditions will be: (a) reexported, transshipped, sold, or otherwise transferred to any country other than the country where Titan has expressly agreed to ship the item, except as may be authorized under U.S. law, and then only with the prior written authorization of Titan; or (b) reexported, transshipped, sold, or otherwise transferred to persons within the country where Titan has expressly agreed to ship the item if such a reexportation, transshipment, sale, or transfer would violate U.S. law.