

HOLD HARMLESS AGREEMENT

This HOLD HARMLESS AGREEMENT (the "**Agreement**") is made as of (the "**Effective Date**") by and between Funktion Performance, LLC (the "**Indemnitee**"), located at 18605 Northline Dr, Cornelius, North Carolina 28031, and (the "**Indemnifier**"), located at , , . The Indemnitee and Indemnifier may be referred to individually as the "**Party**", or collectively, the "**Parties**".

RECITALS

WHEREAS, the Indemnifier desires to hold harmless and indemnify the Indemnitee from all liabilities, losses, claims, judgments, suits, fines, penalties, demands or expenses that may result from the indemnitee's participation in the activity defined in section 1.07; and

WHEREAS, Indemnitee desires indemnity against all liabilities, losses, claims, judgments, suits, fines, penalties, demands or expenses that may result from the Indemnitee's participation in the activity defined in section 1.07.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

SECTION 1: DEFINITIONS AND INTERPRETATIONS

- 1.01 Words in the singular shall include the plural and vice versa.
- 1.02 A reference to one gender shall include a reference to the other genders.
- 1.03 A reference to writing or written includes e-mail.
- 1.04 Any obligation in this Agreement on a Party not to do something includes an obligation not to agree or allow that thing to be done.
- 1.05 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.06 References to sections or clauses are to the sections or clauses of this Agreement.
- 1.07 "Activity" shall mean: Brake Caliper Refinishing (Includes disassembly, powder coating, and rebuilds).

SECTION 2: INDEMNIFICATION

- 2.01 **Indemnification.** To the fullest extent permitted by applicable law, the Indemnifier will hold harmless and indemnify the Indemnitee against any and all claims and actions arising out of Indemnitee's participation in the Activity, including, without limitation, expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any liability, suit, action, loss, or damage arising or resulting from the Indemnitee's participation in the Activity, subject to the limits on indemnification described in section 2.02.
- 2.02 **Exceptions.** Indemnifier shall not hold harmless and indemnify Indemnitee under the following circumstances:
- (1) against a claim caused by the negligence or fault of the Indemnitee, its agent or employee, or any third party under the control or supervision of the Indemnitee, other than the Indemnifier or its agents, employees or contractors.
 - (2) in a civil action, where the Indemnitee did not act in good faith and in a reasonable manner; and
 - (3) where the actions or conduct of the Indemnitee constituted willful misconduct or the Indemnitee was knowingly fraudulent or deliberately dishonest.
- 2.03 **Settlement and Consent.** The Indemnitee will not settle any claim or action without first obtaining the written consent of the Indemnifier. The Indemnifier will not be liable for any amounts paid in settlement of any claim or action where written consent was not obtained.
- 2.04 **Cooperation.** Both Parties agree to cooperate in good faith and provide any and all information necessary for the defense of any claim or action.

SECTION 3: MISCELLANEOUS

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- 3.01 **Representation on Authority of Parties/Signatories.** Each Party signing this Agreement represents and warrants that they are duly authorized and have legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- 3.02 **Amendment.** This Agreement may only be changed or supplemented by a written amendment, signed by authorized representatives of each Party.
- 3.03 **Waiver.** The waiver of any breach or violation of any term or condition hereof shall not

affect the validity or enforceability of any other term or condition, nor shall it be deemed a waiver of any subsequent breach or violation of the same term or condition. No waiver of any right or remedy under this Agreement shall be effective unless made in writing and executed by the Party so to be charged. The rights and remedies of the Parties to this Agreement are cumulative and not alternative.

- 3.04 **Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties, replacing all other written and/or previous agreements.
- 3.05 **Severability.** The Parties acknowledge that this Agreement is reasonable, valid and enforceable. However, if any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the Parties' intent that such provision be changed in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
- 3.06 **Governing Laws.** The validity, construction and performance of this Agreement shall be governed and construed in accordance with the laws of North Carolina, without giving effect to any form of conflict of law provisions thereof. The Federal and State courts located in North Carolina shall have sole and exclusive jurisdiction over any disputes arising under the terms of this Agreement.
- 3.07 **Effect of Title and Headings.** The title of the Agreement and the headings of its Sections are included for convenience and shall not affect the meaning of the Agreement or the Section.
- 3.08 **Attorney's Fees.** If any legal proceeding is brought for the enforcement of this Agreement, or because of an alleged breach, default or misrepresentation in connection with any provision of this Agreement or other dispute concerning this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorney's fees incurred in connection with such legal proceeding. The term "**prevailing party**" shall mean the party that is entitled to recover its costs in the proceeding under applicable law, or the party designated as such by the court.
- 3.09 **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective successors and assigns.
- 3.10 **Interpretation.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

3.11 **Counterparts.** This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

THE UNDERSIGNED HAVE READ, UNDERSTAND and ACCEPT THIS AGREEMENT, and by signing this Agreement, all Parties agree to all of the aforementioned terms, conditions and policies.

Funktion Performance, LLC:

(Date Signed)

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(Date Signed)