



CONDITIONS OF SALE - DOMESTIC
ALL QUOTATIONS ARE MADE SUBJECT TO THE FOLLOWING TERMS

The conditions of sale quoted herein shall remain in effect and supersede all other conditions of sale expressed or implied by Buyer, unless Buyer and Seller otherwise agree in writing. As used throughout this Contract, the term "Product" or "Products" is defined to include all equipment, materials, supplies, components, and any services, engineering, design, and data or other work supplied by Seller under this Contract. Any modifications to the terms herein shall be deemed rejected unless expressly approved by Seller in writing

1. **QUOTATION VALIDITY:** This Quotation expires and becomes void on the stated validity date, unless on, or prior thereto, Seller has received (i) Buyer's order evidenced by its return of this Quotation signed in the space provided for Buyer's acceptance, or (ii) Buyer's Notice To Proceed, (referencing this quotation) to commence design or fabrication of the project herein specified. All orders are subject to acceptance at Seller's offices in North Carolina and any sale to Buyer hereunder shall be governed solely by the terms and conditions contained herein which shall supersede any conflicting terms and conditions of Buyer, any statement in Buyer's terms notwithstanding.
2. **TERMS OF PAYMENT:** Product(s) sold under this contract require an advance payment of 25% of the total contract value to initiate manufacture. Payment of 50% of the total contract value is required to begin Shipment. The remaining 25% shall be paid within 30 days after receipt of Product(s) or invoiced for monthly progress payments based on an approved schedule of values, or in accordance with the payment schedule submitted with Seller's proposal. Spare Part sales shall be 100% payable upon shipment of goods by Seller.
 - a. Security for the advance payment and progress payments issued for off-site materials and completed manufactured products shall be provided in accordance with Buyer's requirements or by a Bank Guarantee issued in an amount equal to the progress payment. Interest at 1.5% per month will be added to all accounts overdue and payable in accordance with the above Terms of Payment.
 - b. If Buyer fails to perform any condition of the Terms of Payment of this Contract, Seller may (1) withhold deliveries and suspend performance, or (2) continue performance if Seller deems it reasonable to do so, or (3) place the Products in storage pursuant to the provisions of Article 8 and Buyer shall be liable for all applicable costs resulting there from. In addition, Seller shall be entitled to an extension of time for performance of its obligations equaling the period of non-performance and if Buyer fails to rectify the non-performance promptly upon notice thereof, Seller may cancel this Contract, and Buyer shall pay Seller its charges for cancellation upon submission of Seller's invoices therefor.
 - c. **All payments are at the responsibility of the customer.** Any money redirections, confusion, theft, improper physical or digital addresses, digital hacking or digital theft is at the sole responsibility of the customer. Unless otherwise approved by a verbal verification process no wires or AHC payments will be made to BGSE Group without verbal verification process.
3. **PRICE:** This is a firm fixed price contract. No changes in the price will be allowed unless mutually agreed to in writing by both parties. Prices are FOB Origin (Ex-Works) unless noted otherwise on the quotation. All freight prices are estimated amounts and will be invoiced at actual costs upon receipt of shipper's invoice.
4. **TAXES:** State sales and/or use taxes are not included. In areas where Seller is not authorized to collect such taxes, the remittance of any sales/use tax shall be the responsibility of the Buyer. Seller will accept a valid exemption certificate from the Buyer if applicable; however, if an exemption certificate previously accepted is not recognized by the governmental taxing authority involved, or the certificate doesn't cover all assessed taxes and the Seller is required to pay such taxes, Buyer agrees to promptly reimburse Seller for the taxes paid.
5. **DELIVERY:** The shipment of all Products shall be scheduled as mutually agreed and in accordance with Articles 2 and 3 above. Partial deliveries shall be permitted. Delivery times are approximate and are dependent upon timely receipt by Seller of all necessary Equipment definition (paint color, dimensions, etc.) and information from the Buyer necessary to proceed with the manufacturing work. In the event Buyer does not timely provide the requested definition and information, the delivery time will be delayed accordingly and Seller will notify Buyer of the next available delivery time for the Equipment which is compatible with Seller's factory production schedule.
6. **DELAYS:** In the event Seller should be requested by, or caused by, Buyer to delay its delivery and/or installation of any Product(s) purchased under this Contract, Seller shall be entitled to the following:
 - a. A storage fee will be assessed for all delayed Products pending final delivery and installation at Buyer's site(s).
 - b. Any additional costs incurred by Seller in repairing and refurbishing the Product(s) to original condition following such storage period and preliminary to delivery to Buyer.
 - c. Any extra handling costs incurred or handling of the Product(s) to accommodate Buyer.



d. Payment in full for the Product(s) completed in accordance with the Buyer's contract schedule but placed into storage to accommodate the Buyer.

Items A, B & C may be waived for Product(s) stored less than one month or as mutually agreed upon between Buyer and Seller.

7. FORCE MAJUERE:

- a. Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to (i) causes beyond Seller's reasonable control; (ii) acts of God, act (including failure to act) of any governmental authority (*de jure* or *de facto*), wars (declared or undeclared), governmental priorities, port congestion, riots, revolutions, strikes, fires, floods, sabotage, nuclear incidents, earthquakes, storms, epidemics; or (iii) inability due to causes beyond Seller's reasonable control to timely obtain either necessary and proper materials, components, energy, fuel, transportation, or Buyer authorizations or instructions, definition or information required for Seller to complete the manufacture of the equipment.
- b. In the event of any delay or failure excused by this Article, Seller shall as soon as practical notify Buyer and shall at the same time, or at the earliest practical date after such notice, specify the revised delivery date. In the event of such delay, the time of delivery or of performance shall be extended for a period equal to the time lost by Seller by reason of the delay. If delay excused by this Article extends for more than sixty (60) days and the parties have not agreed upon a revised schedule for continuing the work at the end of the sixty (60) day period, including adjustment of the price if applicable, then either party upon thirty (30) days written notice, may terminate this Contract with respect to the unexecuted portion of the work, whereupon Buyer shall pay Seller for all the work completed to the date of termination including profit for that work and Seller shall turn over all materials and Products completed at the termination date.

8. SHIPMENT & STORAGE: If any part of the Product(s) cannot be shipped when ready due to any cause referred to in Articles 6 or 7, Seller may place such Products in storage at the place of manufacture or Buyer-designated site. In such event; (i) Seller shall notify Buyer of the placement of any Product in storage; (ii) Seller's delivery obligations shall be deemed fulfilled and title and all risk of loss or damage shall thereupon pass to Buyer; (iii) any amounts otherwise payable to Seller upon delivery shall be payable upon presentation of Seller's invoice; (iv) implementation of conditions of Article 6 above; and (v) when conditions permit and upon payment of all amounts due hereunder, Seller shall assist and cooperate with Buyer in any reasonable manner for the removal and delivery of any Product(s) which has been placed in storage.

9. RISK OF LOSS & TITLE: Full risk of loss shall pass to the Buyer upon delivery of products. However, Seller retains title, for security purposes only, to all products until paid for in full. Seller may at Seller's option repossess the same upon buyer's default in payment hereunder and charge Buyer with any deficiency.

10. INSTALLATION: In the event Seller is responsible for installation of the Products, Buyer agrees to provide Seller and/or its subcontractors full and timely access to the installation site, available power for testing, and an uninterrupted installation schedule. In the event that Seller shall suffer any costs or expense due to delays at the site that are beyond Seller's control, Buyer shall be charged with Seller's increased costs so incurred.

11. PRODUCT ACCEPTANCE: The Buyer shall inspect all Product(s) and associated work within ten (10) business days of notice from the Seller to the Buyer that the applicable work is substantially complete. Buyer shall identify in writing all punch list items during the inspection and Seller shall immediately correct such items. Buyer shall inspect and provide a final acceptance certificate within five (5) business days of notice from the Seller to the Buyer that all punch list items have been corrected.

12. NEW PRODUCT WARRANTY

- a. Seller warrants that Products manufactured by Seller shall be free from defects in material, workmanship, and title and shall be of the kind and quality specified or designated by Seller in this Contract for a period of (1) one year from the date of delivery or beneficial occupancy or 18 months from shipment of the product, whichever occurs first. Defective and nonconforming items must be held for Seller's inspection and if requested returned to the Seller's manufacturing facility. All 400HZ, 28VDC, 270VDC and 60HZ cables, PC Air aircraft hoses and couplings, fuses, light bulbs and other consumables are warrantied 90 days after delivery. **THERE ARE NO OTHER WARRANTIES, STATUTORY, AT LAW, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH EXTEND BEYOND THE FACE OF THIS AGREEMENT.**



- b. Upon Buyer's submission of a claim as provided above and following its substantiation, seller shall provide a replacement part for the defective or faulty part.
- c. The foregoing is Seller's only obligation and Buyer's exclusive remedy for breach of warranty against Seller for all claims arising hereunder or relating hereto. In no event shall Buyer be entitled to incidental or consequential damages. Any action by Buyer arising hereunder, or relating hereto whether based on breach of contract, tort (including negligence and strict liability) or other theories must be discovered within one (1) year after the cause of action occurs or it shall be barred.
- d. Seller disclaims any warranty responsibility as to its products in the event of any modification of such product without prior written consent of Seller. With respect to any Products not manufactured by Seller (except for integral parts of Seller's Products, to which the warranties set forth above shall apply), Seller gives no warranty, and only the warranty, if any, given by the manufacturer of the other product shall apply.
- e. The foregoing warranty provisions are applicable only **if the Buyer has performed preventative maintenance in accordance with Seller's maintenance manual**. The required maintenance must be performed and records maintained for Seller's review and inspection if requested.
- f. Due to the inherent design and operational use of the aircraft supply hose and hose storage basket, input and aircraft cables, light bulbs, light lenses, and fuses (when required), these items are considered consumable parts and are not covered by any warranty other than that of workmanship and quality.
- g. Should Buyer elect to have the installation of the Product(s) performed by someone other than Seller, the warranty shall not commence until the Product(s) has been inspected and approved for fitness of operation by the Seller. Costs for this inspection shall be borne by the Buyer.

13. REHAB PRODUCT WARRANTY: Seller warrants that any rehab work performed will meet all applicable specifications and other specific product and work requirements of this agreement and will be free from defects in material and workmanship for a period of one year from final acceptance of the work or beneficial occupancy, whichever occurs first. All parts not manufactured by Seller that are purchased from other vendors shall be warranted for six (6) months or the vendor's stated warranty for the part whichever is less. The sole remedy for breach of this warranty is the repair or replacement (at Seller's option) of the defective good, and Seller will not be liable under this warranty for labor to remove or reinstall the good, for transportation or freight on the good or any replacement good, for down time or for any other costs. All other terms stated in Article 12 above shall apply.

14. PATENT INFRINGEMENT:

- a. If notified promptly in writing by Buyer and given complete authority, information and assistance, Seller shall defend, or may settle, at its option, any suit or proceeding brought against Buyer based upon a claim that the use or sale of any equipment in accordance with this Agreement constitutes literal infringement of any apparatus claim of a United States patent. Seller shall pay all damages and costs awarded in such suit or proceeding provided Buyer does not, by any act, except as may be required by law, or compelled during or as a result of legal proceedings (including any admission or acknowledgment), materially impair or compromise the defense of such suit or proceeding. If in such suit or proceeding, the equipment or any portion thereof is held to constitute infringement and its use is enjoined, Seller shall, at its own expense and option, either procure the right for Buyer's continued use or sale thereof, replace or modify the affected portion so that it becomes non-infringing, or accept return of such portion and refund a prorated portion of any amount paid by Buyer for such portion. This states the entire liability of Seller with respect to any infringement by the equipment.
- b. The foregoing paragraph shall not apply to any claim of infringement arising from any item of equipment or portion thereof specified by Buyer, or Buyer's modification of the equipment, or Buyer's use thereof with other software or equipment not supplied by Seller. As to any such use, Seller assumes no liability whatsoever for patent infringement and Buyer will hold Seller harmless against any infringement claims arising therefrom.



15. INDEMNIFICATION AND CONSEQUENTIAL DAMAGES:

- a. Each Party shall indemnify, defend and hold harmless the other party, from and against the loss, liability claim, or action, to persons, property or third parties ("Loss") to the extent that such Loss was caused by the indemnifying Party or its agents, subcontractors or affiliates.
 - b. Seller shall release, defend, indemnify and hold harmless Buyer, its affiliates and its other contractors for pollution or contamination arising above the surface of the land or water and which escapes or emanates directly from Sellers' equipment which equipment is wholly within Sellers' control. Buyer shall release, defend, indemnify and hold harmless Seller for all other pollution not specifically assumed by Seller.
 - c. Notwithstanding the foregoing, neither Party shall be liable to the other for any indirect, special, or consequential damages, including, but not limited to, lost profits, loss of use, environmental or pollution damage, or consequential or indirect damages to the other Party's property or facilities, regardless of cause.
16. **TERMINATION:** In the event Buyer shall terminate the order for the Product(s) referenced herein for reasons other than a default by the Seller, Buyer agrees to pay Seller for any costs incurred and all work that Seller has performed up to the date of termination plus a reasonable rate of profit for the work performed. Except as specifically agreed in writing, termination shall not relieve either party of any obligation arising out of work performed prior to the date of termination.
17. **STANDARDS:** Unless otherwise specified, units are designed to meet all applicable U.S. national equipment codes, including NEC, AISC and AWS. Costs of meeting any local codes not specifically mentioned shall be an addition to the contract unless noted in Schedule A of this quotation.
18. **LICENSES AND PERMITS:** Building permits by any airport or regulatory authority, and applicable fees for said permits are the responsibility of the Buyer.
19. **MANUALS:** The prices herein cover the cost of providing our Standard Operation & Maintenance manual for each Product sold. One (1) copy per model will be provided per location. The charge for any additional manuals will be given upon request. Unless otherwise specified, all manuals provided will be in the English language.
20. **BLANK**
21. **TRAINING:** If purchased by the Buyer, Seller will provide operator and maintenance training at a time or times convenient to the Buyer at the time of installation, but no later than the operational date of the Equipment. Unless specified otherwise in the Contract, training sessions will utilize prepared text, slides, and other instructional aids as required in the English language. Buyer to provide language interpreters as required for training sessions.
22. **DISPUTES AND GOVERNING LAW:** This contract shall be governed under the laws of the State of North Carolina. In the event of any dispute, or difference arising out of, or relating to this contract, or the breach thereof, the parties shall use their best endeavors to settle such dispute, or difference by consulting and negotiating with each other, in good faith, and understanding of their mutual interests, to reach a just and equitable resolution which is satisfactory to the parties. In the event the parties cannot resolve such dispute up to the level of each party's Senior Management within ninety (90) days after a party's initial notice of the dispute, the parties shall be free to litigate their differences in local, state, or federal courts in North Carolina
23. **SUCCESSORS AND ASSIGNS:** This contract shall inure to the benefit of and bind any successor in interest to a party to this contract. The Buyer will not assign this contract or delegate its performance there under by subcontract or other instrumentality, in whole or in part, without the prior written consent of the Seller. However, the Seller may assign this contract to any subsidiary, affiliate or successor in interest upon notice to the Buyer of such assignment, in which case, the Seller shall be released from any and all obligations arising under this contract.
24. **CONFIDENTIALITY:** Buyer acknowledges that during the execution of this Agreement that Seller will provide confidential information to Buyer regarding the Equipment design. Buyer agrees that such information is and will remain the property of Seller and that Buyer will use the information only for the operation and maintenance of the Equipment and protect the



confidential information from disclosure to other person, and entities. Buyer and Seller agree not to disclose the existence or terms of this Agreement to any third person or entity without first obtaining the written permission of the other party.

25. **LIMITATION OF LIABILITY:** Under no circumstances shall the total aggregate liability under any contract for all Sellers' exposures (e.g., pollution, warranty, indemnification, liquidated damages) exceed the value of the contract. No liquidated damages, schedule of liquidated damages, threat of liquidated damages, hold back of money for liquidated damages and adjustment to contract do to liquidated damages are accepted **unless otherwise agreed upon in writing prior to signing these terms and conditions.**
26. **SOFTWARE:** Seller hereby grants to Buyer a non-exclusive, non-transferable and non sub-licensable license to use the PCL control Software solely in conjunction with the operation of the Equipment provided under the contract and otherwise in accordance with any other applicable agreements in existence between the parties. Buyer agrees that the Software and any other related information or data supplied by Seller constitutes a valuable trade secret and is proprietary information of Seller and/or Seller's licensors. Unless expressly authorized by Seller in writing, the Software may not be copied, modified, translated, reverse engineered, compiled or decompiled, transferred, or disclosed to another party. Notwithstanding the foregoing, the Software may be copied for backup or archival purposes reasonably necessary to support the license granted herein.
27. **ATTORNEY'S FEES AND COSTS:** If any Party hereto institutes any action or arbitration proceeding seeking to rescind, enforce, or interpret any provision of this Contract, or seeking damages based on an alleged breach of this Contract, and if there is any hearing or trial in connection therewith, then the substantially prevailing party or parties at each such hearing or trial shall be entitled to receive from the other party an award of attorney's fees and costs in an amount equal to the reasonable attorneys' fees incurred by the substantially prevailing party in such action or proceeding or with respect to such hearing or trial and whether or not the matter proceeds to final judgment and, in addition, an award of all costs incurred by such party with respect to such hearing or trial. As used herein the term "costs" shall mean all court costs, costs of transcripts, witness fees, costs incurred in discovery, costs of expert witnesses, and all other compensable costs. As used herein the term "substantially prevailing party" with respect to any hearing or trial, or with respect to the action or proceeding as a whole, shall not necessarily mean the party in whose favor a judgment, order, declaration, or relief is entered or the party recovering a greater relief. Rather the "substantially prevailing party" shall be determined by the arbitration panel or the court, after considering all relevant facts and circumstances, to be that party whose position on the issues which were determined in such action or proceeding, or at such hearing or trial, in the aggregate, was closest to the ultimate judgment, order, declaration or relief eventually issued, made, or granted by the arbitration panel or the court.
28. **MISCELLANEOUS:** The invalidity, in whole or in part, of any Article or Paragraph thereof shall not affect the validity of the remainder of such Article or Paragraph of this Contract.
29. **ENTIRE AGREEMENT:** This Agreement, when accepted, shall constitute the entire Agreement between Seller and Buyer, superseding any oral or written negotiations or promises, and this Agreement may be changed, discharged or terminated only by an instrument in writing executed by a duly authorized representative of the parties.

Binding signature of officer of company or authorized signer

Date of signature