

**BRUCHA CORP.**  
**General Terms and Conditions of Sale**

**1. General**

1.1. Definitions. "Seller" means BRUCHA Corp. "Buyer" means the party purchasing Products from Seller. "Products" means the goods being sold by Seller to Buyer as described in the Order Confirmation. "Services" means design services being provide by Seller to Buyer as described in the Order Confirmation. "Buyer-Related Party" means the Buyer and any affiliate, employee, agent, or customer of Buyer. "Buyer Destination" means Buyer's delivery address set forth on the Order Confirmation. "Claim" means a claim made against Seller or Buyer by a third party. "Loss" means a financial loss (including attorney's fees) incurred by Seller or Buyer as a result of a Claim. This Agreement contains the entire agreement between the parties and supersedes any prior or contemporaneous oral or written or communications between them relating to the subject matter hereof. If there is any inconsistency between these General Terms and Conditions and terms set forth in the Order Confirmation, the terms in the Order Confirmation shall control. Seller expressly rejects any Buyer purchase order or invoice terms or conditions that are inconsistent with, or in addition to, these Terms and Conditions.

Any general terms and conditions of Seller's contractual partners ("Buyers") even if enclosed in the requests for tender, orders, acceptance statements or similar documents are deemed not to constitute a part of the contract even if Seller does not expressly object to them. Seller expressly rejects any Buyer purchase order or invoice terms or conditions that are inconsistent with, or in addition to, these General Terms and Conditions.

1.2. Orders are only deemed accepted following express written confirmation by Seller ("Order Confirmation"). Seller assumes no liability for any clerical errors in offers or errors objected to following corrections and released by the Buyer.

1.3. The information found on the internet, in catalogues, brochures, memoranda, advertisements, and any other depictions of the prices, delivery schedules, dimensions, and materials published by Seller are deemed solely informative and non-binding.

**2. Quotations Not Contracts**

2.1. Orders shall be exclusively accepted by Seller in the form of a written Order Confirmation. If Seller determines that the Buyer's creditworthiness or other terms of the order do not meet Seller's criteria, Seller may withdraw its Order Confirmation or demand advance payment or appropriate guarantees.

2.2. Obvious errors and typo-graphical, printing and calculation errors that occur when Seller produces a quotation shall not be binding on Seller.

2.3. Quotations presented by Seller shall be binding for 20 business days from the date of the quotation. If no written order is received by Seller from Buyer within four calendar weeks, then the quotation presented by Seller shall no longer be valid.

**3. Prices**

3.1. Unless otherwise noted in the Order Confirmation, all prices are ex works ("EXW")(Incoterms 2010) Seller's facility inclusive of loading and packaging and exclusive of all federal,

state and local excise, sales, use and similar taxes, and all import, export or customs duties, tariffs or similar charges, all of which shall be paid by Buyer. Seller will arrange for shipment and bill Buyer for all shipping costs including insurance.

3.2. The price calculation is based on the current costs at the time of price announcement. If the costs change by the time of delivery, any cost increases shall be borne by the Buyer. Any price increases resulting from errors in calculation will be subsequently charged to the Buyer.

3.3. All quotations are based on the Buyer's design plans and parts lists as well as the actually delivered quantities. If Seller has designed the structure where the Products will be used the quotation will be based on the Seller's design and the use of Seller's design will be noted in the Order Confirmation. The square footage of the construction elements is calculated from the greatest length multiplied by the greatest unit width. Angular cuts, cut-outs, and pre-fabrications shall be quoted separately.

**4. Terms of payment / Exclusion of offsetting**

4.1. Payments are to be made in accordance with the agreed terms of payment. Seller may present partial invoices.

4.2. Payment for Products shipped on approved credit is due net 30 days from date of invoice or as stated on the Order Confirmation. If Seller believes the Buyer's financial condition does not justify delivery upon the payment terms specified, Seller may require full or partial payment in advance. If Buyer fails to pay any sum owing to Seller when due, then, in addition to all other remedies available to Seller by law, in equity, or otherwise, until paid in full, Buyer shall be charged interest on the sum then owing at the rate of 1.5% per month, and Seller may cease making deliveries of the Products; provided, however, that no cessation of deliveries shall relieve Buyer from any payment obligations to Seller outstanding at the time of such cessation, all of which shall be paid in full by Buyer. Seller shall be entitled to recover reasonable attorneys' fees and collection costs incurred in collecting overdue amounts.

4.3. The Buyer has no right to set off any payments attributable to warranty/damage claims or any other claims raised against Seller. Offsetting of any counterclaims by the Buyer is prohibited.

4.4. Seller must be notified immediately by Buyer via email of any foreclosure actions expected or pending against the property where the Products are to be used by Buyer.

4.5. If Buyer has defaulted on its obligations under a Purchase Order such as the failure to make timely payment, Seller may deem the contract for sale in breach and may discontinue any further obligation it may have under an Order Confirmation.

**5. Delivery schedule**

5.1. Seller is entitled to perform partial and preliminary deliveries.

5.2. Seller shall endeavor to ship deliverables according to the schedule contained in the Order Confirmation. The delivery schedules announced by Seller are deemed however non-binding unless expressly agreed in writing as fixed delivery dates.

5.3. The obligations of a party (except the payment of money) shall be suspended to the extent and for the period of time that such party is prevented from performing because of labor disturbances, forces of nature, acts of war, terrorism, or public enemy, fires, storms, water, unreasonable delays in transportation, governmental action, failure of suppliers, or any other cause beyond such party's reasonable control. The party affected by force majeure shall promptly notify the other of the existence thereof.

5.4. If the estimated delivery date specified by Seller has been exceeded by 30 days, then the Buyer is entitled to cancel the contract. Notice of such cancellation shall be given to Seller in writing. If Buyer cancels the contract, Buyer forfeits all claims for compensation resulting from the Seller's failure to deliver the Products. Buyer has no right to claim damages or other compensation from Seller as a result of a late delivery of Product unless such delay is attributable to an intentional or gross negligent action of Seller.

5.5. Once the Products have been shipped Buyer is responsible for all warehousing expenses.

5.6. If Buyer requests that the delivery of the Products be delayed, Buyer shall be responsible for paying for storage of the Products pending delivery. If the Products are being held at Seller's warehouse, a warehousing fee of 3 percent of the contractual value will be charged for every calendar week or any portion thereof that shipment is delayed. Buyer must submit delay requests in writing to Seller at least 14 days before the agreed delivery date (point of receipt); otherwise the warehousing fee must be paid starting from the original delivery date.

## 6. **Suitability; Technical Advice**

Buyer warrants that Products with the quality characteristics conforming to Seller's specifications will satisfy Buyer's contemplated use of the Products. Seller assumes no obligation or liability, express or implied, with respect to any recommendations or advice as to the purpose or use of the Products. Any such recommendations or advice are given and shall be accepted at Buyer's own risk and shall not constitute any warranty or guaranty of the Products or the Products' performance

## 7. **Limited Warranties and Exclusive Remedies**

7.1. Seller warrants that (a) Seller has good and sufficient title to the Products; and (b) the Products meet Seller's general, published specifications and any additional specifications set forth on the Order Confirmation. The warranty period for the Products is one year from the date of shipment. The foregoing warranty does not extend to any Products that have been combined with any other products or stored or used in violation of Seller's instructions or to any defect in the Products resulting from Buyer's failure to handle or use the Products as set forth herein. **THIS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

7.2. Unless agreed otherwise, the contractual properties of the Products are specified in Seller's product descriptions. Public statements, recommendations or third-party advertising are irrelevant in this respect. The specifications, drawings, illustrations, technical data, weights, measures and performance descriptions contained in Seller's prospectuses, guarantees for the benefit of third parties, catalogues, circulars and advertisements

shall be binding only if they are confirmed in the Order Confirmation or in the written offer.

7.3. Seller may change the technical specifications and appearance of its Products without notifying the Buyer provided that the properties determining the Products' value and function are retained appropriately and no contrary wish of the Buyer is discernible to Seller.

7.4. Seller's warranty extends for one year and only covers products identified as defective within one year of the shipping date. Seller must have been notified of the product defect in writing and Seller shall have been allowed to inspect the defective Products. Seller shall have 30 days to provide a remedy or replace any defective Products.

7.5. The Buyer must inspect the Products for any potential defects immediately after delivery. If the Products are shipped "Ex Works" (EXW), then any damage that occurs to the Products during shipment is the responsibility of Buyer. If the Products are shipped "Delivered at Place" (DAP) (Incoterms 2010) then any Products damaged during shipment must be photographed and documented prior to being unloaded. Acceptance of Products showing obvious defects waives any warranty and indemnification claims. Buyer must notify Seller of any defects identifiable in the course of appropriate examination not later than within 10 days after receipt of the Products. Defects not identifiable in the course of appropriate examination are to be notified not later than within three days of discovery of the defect. Buyer must initially accept delivered Products even if obvious defects, damage in transit or incomplete deliveries are found.

7.6. The notice of defects must be in writing and must state the date of the Order Confirmation and date of shipment. Such notice of defects is to state which parts of the Products are affected by the defects, individual details constituting the defects and under which associated circumstances such defects have appeared. Each individual defect is to be accurately described and documented by a photograph. Costs attributable to unjust or contrary to stipulations notices of defects are to be reimbursed to Seller. If a notice of defects is not compliant with the aforesaid stipulations, all warranty, indemnification and other claims attributable to defectiveness are deemed excluded.

7.7. Asserting claims attributable to defects does not entitle Buyer to any reduction or setoff against the purchase price.

7.8. If there is a defect in the Products for which Seller is responsible, Seller shall be entitled to rectify defects or make a replacement delivery. The choice of the method of subsequent performance is at Seller's discretion, provided that Buyer has no justified interest in a particular method of subsequent performance. If the subsequent performance fails, Buyer may choose between a reduction in the purchase price or withdrawal from the purchase contract. In the case of slight defects, withdrawal shall be excluded. If Buyer chooses withdrawal, further additional claims for damages or reimbursement of expenses shall be excluded. Claims for damages instead of performance against Seller shall be limited to the difference between the purchase price and the value of the defective Products.

7.9. Seller makes no warranties with regard to damages arising from improper use, incorrect storage or negligent handling. If, despite a defect, the delivery item is still used, then Seller shall be liable only for the original defect but not for such damages arising as a result of the continued use.

7.10 If Buyer has sold the Products to a Buyer-Related Party and a notice of defect is raised by the Buyer-Related Party, Seller shall exempt Buyer from his warranty expenses to the extent that claims against Seller exist in accordance with the law and these terms and conditions. In particular Seller shall make replacement Products available for the subsequent performance step by step as the defective Products are returned to Seller. Seller reserves the right to settle Buyer's reasonable warranty expenses, which are to be reimbursed by Seller over and above the replacement of the Products, by means of an appropriate cash payment. The occurrence of a warranty claim from a Buyer-Related Party is to be demonstrated to Seller with the Buyer-Related Party's written confirmation and a detailed description of the defective Products, otherwise any warranty claims against Seller shall lapse.

7.11 Warranty is deemed void when the Products have been improperly handled, assembled, or insufficiently maintained by the Buyer, their staff, their agents, or third parties; this is also deemed applicable when repairs or modifications have been made by a third party or are attributable to installation of non-BRUCHA parts. There is not warranty coverage for normal wear and tear as well as damages originating from force majeure (natural hazards, water damage, etc.).

7.12 Upon discovery of defects any arbitrary improvements made by the Buyer, its staff, or third parties used by Buyer shall result in waiver of all warranty and indemnification claims if Seller has not been previously furnished the opportunity to rectify such defects.

7.13 Seller does not assume any responsibility for obtaining permits or authorizations regarding the purchase, delivery, installation, and/or assembly of the Products. Seller performs no examinations for design and construction. The Buyer is responsible for such examinations.

7.14 If damage to Products is attributable to Seller's intentional or grossly negligent performance, Seller shall be liable up to the total invoiced amount of the Order Confirmation. Any further claims for indemnification attributable to contractual infringements, contractual obligations, infringement of duties during contractual negotiations and torts as well as further warranty claims are deemed excluded.

7.15 All other claims by Buyer or any Buyer-Related Party, in particular claims for indemnification for any damages based on Seller's negligence are excluded.

7.16 Disclaimer. Neither party shall be liable to the other for consequential, incidental, punitive, special, exemplary, or indirect damages (including lost profits or savings), even if such party was advised of the possibility of the occurrence of such damages.

## 8. Indemnification

Seller shall indemnify, defend, and hold Buyer, its affiliates, and their respective officers, directors, employees, partners, members, and agents harmless against any Losses resulting from a Claim arising out of (a) an allegation that the Products furnished hereunder in accordance with Seller's specifications constitute an infringement of any U.S. patent, or (b) accidents or injuries to persons or property resulting from the manufacture of the Products or delivery of the Products to the shipper by Seller. Buyer shall indemnify, defend, and hold Seller, its affiliates, and their respective officers, directors, employees, partners, members, and agents harmless against any Losses resulting from a Claim arising out of (x) an allegation that the Products, as altered, used, or processed by Buyer, violate any U.S. patent, or (y) accidents or

injuries to persons or property (including any Buyer-Related Party) resulting from the unloading, handling, storage, or use of the Products by the Buyer or any Buyer-Related Party following delivery of the Products to the shipper by Seller.

## 9. Cancellation

If the Buyer cancels an order already confirmed by Seller, the Buyer shall pay a cancellation fee amounting to 50 percent of the agreed price once production has begun (without shipping costs). Any amounts owed Seller regarding Products already shipped remain unaffected thereby.

## 10. Intellectual Property

Plans, drawings, and other technical documents as well as sample catalogues, folders, depictions and similar items related to the Products remain the intellectual property of Seller under the relevant legal stipulations regarding reproduction, imitation and competition. The Buyer shall use the services rendered by Seller solely for the previously agreed purpose. Any other use exceeding the aforesaid must be agreed in writing. Concepts, strategies, and systems developed by Seller are always solely prepared for a legally independent enterprise. Use through associated or affiliated companies must be separately agreed in the contract.

## 11. Equipment Owned by Buyer

Any equipment provided to Buyer by Seller in connection with the use of the Products shall remain the sole and exclusive property of Seller. Buyer shall not make any statements or otherwise take any action that could lead a third party, including any creditor of Buyer, to believe that Buyer has any rights in such equipment.

## 12. Exclusion of Competition Clauses

Seller accepts no regulations regarding exclusion of competition and is expressly entitled to service purchasers/principals operating in the same business sector without any limitations.

## 13. Amendments; Waivers; Governing Law

13.1 No amendment, modification, or waiver of any provision of these Terms and Conditions shall be effective unless in writing and signed by the parties. The failure of a party to insist upon the strict performance of any provision hereof or to exercise any right upon a breach thereof shall not constitute a waiver of such provision or limit that party's right thereafter to enforce such provision or exercise any right.

13.2 If any of the provisions herein shall for any reason be held void or unenforceable, the remaining pro-visions shall remain in full force and effect.

13.3 These Terms and Conditions shall be governed by the laws of the State of Colorado, without reference to its choice of law rules. Each party submits and irrevocably waives any objection to *in personam* jurisdiction in the State of Colorado and the forum and convenience of the state and federal courts thereof. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.