

**1. AGREEMENT TERMS AND CONDITIONS OF USE:** These Terms and Conditions of Use (the "Agreement") apply to any and all orders of Phoenix LiDAR Systems' (the "Seller") products. Any conditions stipulated to by Customer which are in contradiction of this Agreement shall be valid only if expressly acknowledged by Seller in writing.

**2. SOFTWARE:** Special conditions apply for software. Seller guarantees that software can be operated under the specified computer operating systems, or in the case of embedded software, the specified platform. Seller grants no warranty for functionality, completeness, accuracy or timeliness. The purchase or provision of software provides the right for use on Customer's systems or devices only. The software may not be reproduced, copied, re-engineered, or transmitted in any way whatsoever.

**3. QUOTATIONS:** Quotations given by Seller are valid for thirty (30) days and are confidential. If Customer does not place an order according to Seller's quotation, Customer will return all specifications and documents upon Seller's request.

**4. PRICE:** All prices are in the indicated currency. Delivery is ex works Los Angeles, California, non-insured (unless specified by Customer), VAT or any other sales tax or duty on imported products is excluded. Special packaging is subject to extra charge. Seller reserves the right to modify prices for products not yet delivered if circumstances require, and will notify the Customer as soon as possible.

**5. PAYMENT TERMS:** Except to the extent otherwise stipulated, 50% of payment is due upon placement of an order, with balance due prior to shipment from Phoenix LiDAR Systems. Checks and money drafts are not regarded as constituting payment until they have been cleared. Seller may at any time demand advance payment or payment security, such as a confirmed and irrevocable letter of credit or a guarantee of prompt payment, prior to shipment. Where payment is made by credit card, Phoenix LiDAR Systems will charge an additional 4% service charge. Where payment is made by wire transfer, Seller will charge an additional \$25.00 service charge for every domestic wire transfer, and an additional \$45.00 service charge for every international wire transfer.

**6. OVERDUE ACCOUNTS:** If Customer delays payment, he shall be liable, without notice, for interest at the rate of 6% above the United States prime rate from the agreed date on which the payment was due.

**7. DELIVERY TIMES:** Seller will exercise best efforts to adhere to any stated delivery date. However, timely delivery shall not be deemed to be of the essence of the contract, nor shall any reasonable delay be the basis for a claim in respect to damages or cancellation. Partial shipments are allowed.

**8. CALL-OFF ORDERS:** Call-off orders are subject to Customer's obligation to accept full delivery within one (1) year after the date of the order confirmation. The cost of any special storage is to be borne by Customer. Delivery dates for call-off orders are fixed and cannot be changed, unless approved by Seller.

**9. QUANTITIES DELIVERED:** Invoicing will be in accordance to actual delivery quantity and at the unit prices as stipulated in the order acknowledgement.

**10. ORDER CANCELLATION:** In the event Customer cancels all or any part of any order or fails to meet any obligations hereunder, causing cancellation of any order or portion thereof, Customer agrees to pay a

cancellation charge of 50% of product price. Recognizing that Seller's damages arising from any cancellation or rescheduling of any order will be difficult to estimate, the parties agree that the foregoing charges are reasonable and are intended as liquidated damages and not as a penalty.

**11. RETURN MATERIAL:** Seller accepts returned material only if a Return Material Authorization has been obtained from Seller in advance. Seller accepts no return of any products which were custom manufactured for Customer. Material received without any prior authorization will be returned at Customer's expense. A fee for administrative cost and product inspection will be paid for by Customer.

**12. WARRANTIES AND GUARANTEES:**

Seller warrants the product to be free from defects in materials, workmanship and title, and shall be in accordance with the specifications of this contract. Seller's obligations as set forth below shall begin on the date of acceptance as specified in the order or on the date upon which the product is placed into use by Customer, whichever occurs first, and shall continue for a period of 12 months from that date.

Replacement spare parts sold by Seller, excluding electric motors, electric motor part accessories, avionics, batteries and rotor blades, are warranted for 6 months after Customer acceptance, except as hereafter noted. Replacement parts are warranted only for the remainder of the applicable twelve (12) or six (6) month original warranty period. The repair or replacement of defective parts under this warranty will be made without charge to Customer for parts and labor for removal, installation and/or actual repair, except that the Customer shall pay all import duties, sales and use taxes on replacements, as well as the costs of shipping Seller the defective parts. The items listed above are sold as replacement items and are not warranted. Any parts removed for replacement become the property of Seller.

Seller's obligation under this warranty is limited to repairing or replacing with new, reconditioned or exchange parts, at its option, any part or parts found defective by its examination which are returned by Customer within the applicable Twelve (12) or six (6) month period.

Seller's obligations under the provisions of this warranty shall not apply to any product or part thereof, which is normally consumed in operation, or (II) has a normal life inherently shorter than the warranty period or (III) is not properly stored, installed, maintained or repaired or is modified, other than to Seller's instructions or approval or (IV) has been subjected to misuse, negligence, exposure or damage or (V) has been tampered with, or is subject to war or acts of terrorism.

To receive the benefit of this warranty, Customer must give Seller written notification within thirty (30) days after Customer knows, or reasonably should have known, of the defect. Such notification shall contain details of the circumstances of discovery by the Customer and nature of the defect. Customer shall, in accordance with Seller's instructions, provide the allegedly defective product or parts to Seller. Transportation costs of the product or parts to and from the location specified by Seller shall be borne by Customer. Seller will determine if the alleged defective products or parts fall within this warranty and the costs of such repairs or replacement under this warranty shall be borne by Seller. Repaired or replaced parts shall be subject to the remainder of the original warranty.

Should Seller determine that the warranty provisions are not applicable for the returned product, Seller shall not be obligated to repair or replace the product, and shall request disposition instructions from Customer.

With respect to components not manufactured by Seller, Seller offers no warranty other than that provided by the original manufacturer.

**TO THE EXTENT ALLOWED BY APPLICABLE LAW, THIS LIMITED WARRANTY IS EXPRESSLY EXCLUDES ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED IN FACT OR BY LAW, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES OF REPAIR OR REPLACEMENT ARE THE ONLY REMEDIES UNDER THIS WARRANTY. SELLER DISCLAIMS AND EXCLUDES ALL OTHER OBLIGATIONS AND LIABILITIES WHETHER IN CONTRACT OR IN TORT, INCLUDING LOSS OF USE, LOSS OF TIME, LOSS OF VALUE, INCONVENIENCE, COMMERCIAL LOSS OR ANY OTHER DIRECT, CONSEQUENTIAL, SPECIAL OR INCIDENTAL DAMAGES.**

**13. CLAIMS (COMPLAINTS):** Customer claims or complaints of any nature must be submitted in written form immediately upon receipt of products or immediately upon detection of hidden faults. Failure to make timely claim will result in the claim being denied.

**14. OWNERSHIP OF GOODS:** Ownership of products shall, notwithstanding delivery or attachment to other property of Customer, remain with Seller until Seller has received payment in full.

**15. PLEDGE OR LIEN:** Customer shall have no pledge or lien on the property of the manufacturer of any component.

**16. LAW:** In the event of any dispute between the Parties, such dispute, including the interpretation of this Agreement, shall be construed in accordance with the laws of the United States of America and the state of California. Place of venue is Los Angeles, CA. In the event of any controversy, claim or dispute in connection with the terms or conditions of this Agreement or the subject matter hereof, the prevailing party shall be entitled to recover all costs incurred (including, but not limited to, reasonable attorneys' fees and costs) by the prevailing party in connection therewithin, whether or not suit is filed and whether or not any such suit proceeds to judgement.

**17. TECHNICAL SPECIFICATIONS:** Unless otherwise agreed upon, brochures and catalogues are not binding. Data provided for documentation are only binding in so far as expressly stipulated as such. Seller reserves the right to modify any specification without notice.

**18. DESIGN OWNERSHIP:** Information and drawings delivered in addition to the sales documentation may not be transmitted to any third party. Customer may not transmit or make use of, in any form whatsoever, any information concerning the design and the functionality of the product. In the event of any violation of this clause, Seller retains the right to claim damages or seek injunctive relief.

**19. EXCLUSION OF LIABILITY:** Unmanned aircraft and laser mapping solutions are sophisticated, complex and potentially dangerous systems that may crash in the hands of inexperienced operators and maintainers. This must be understood by Customers and any operators. Necessary precautions to prevent damage and injury shall be taken by Customer in anticipation of system failure. In order to guarantee optimal operation and reliability of the products, all components must be maintained and regularly inspected according to the provided guidelines. It is the responsibility of Customer to obtain any flight permits or approvals needed for the operation of the product. Seller is not liable for any damage to the product or property damage and personal injuries that may occur with products provided by Seller. In particular, Seller is not responsible for any faulty operation, mechanical deficiencies, errors occurring during flight, crashes or crash landings, except due to the gross Negligence of Seller. This includes damages or injuries that could occur

during any training.

**20. INDEMNIFICATION:** Customer agrees to indemnify and hold Seller harmless from any costs, claims, damages, losses, liabilities, actions, suits, proceedings or expenses (including attorney's fees) asserted by any third party arising out of or related to Customer's use of the Equipment, breach of any provision of this Agreement, any inaccurate or unauthorized representation or warranty made by Customer, or failure to conform to local laws and regulations.

**21. INSURANCE:** Any operation of systems provided by Seller must be done by persons who have been trained by Seller. Each Customer and/or operator is responsible to have his own liability insurance before operating the system.

**22. COPYRIGHT AND CONFIDENTIALITY:** Copyright in any specification, drawing, computer software, technical description and other documents supplied by Phoenix LiDAR Systems under or in connection with the Order and all intellectual property rights in the design of any part of the Equipment or provision of services, whether such design be registered or not, shall vest in Phoenix LiDAR Systems absolutely. The Buyer shall keep confidential any information expressed or confirmed by Phoenix LiDAR Systems in writing to be confidential and shall not disclose it without Phoenix LiDAR Systems' prior consent in writing to any third party or use it other than for the operation and maintenance of any Equipment provided.

**ACKNOWLEDGEMENT:** I have read, understand and agree to the Phoenix LiDAR Systems Terms and Conditions of Use.

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