

Standard Terms and Conditions Piedmont Pacific Corporation

1. ACCEPTANCE AND COMPLETE AGREEMENT. The parties agree that these terms and conditions ("**Terms and Conditions**") are the exclusive and complete terms accompanying any purchase order ("**PO**") related to products sold by Piedmont Pacific Corporation ("**Piedmont**") and no other terms will be deemed relevant to explain or supplement the Terms and Conditions whether oral, written, based on usage of trade, or course of dealing. In case of contradiction between the terms and conditions stated in the PO and these Terms and Conditions, the terms and conditions stated in the PO shall prevail.

2. SCOPE OF WORK. Piedmont agrees to sold to its client ("**Client**"), who agrees to purchase, such products described in the PO (the "**Products**"), subject to the Terms and Conditions hereof.

3. PRICE, PAYMENT AND DELIVERY. Client shall pay Piedmont for the Products, in accordance with the prices and payment terms detailed in the PO to which these Terms and Conditions are attached. Unless otherwise indicated in the PO, Products are priced and shipped INCOTERMS 2012 EXWORKS Piedmont's facility located in Vista, California. Delivery date of the Products is mentioned in the PO. Unless otherwise agreed upon by the parties, payment terms are net thirty (30) days from the date of invoice. Any tax, fee or charge of any nature whatsoever, imposed by any governmental authority on or measured by any transaction between Piedmont and Client, shall be paid by Client in addition to the prices quoted or invoiced. If Piedmont shall be required to pay any such tax, fee or charge, Client shall forthwith reimburse Piedmont.

4. STATUS. Upon demand, Piedmont shall inform Client as to the status of the PO to assure delivery of the Products by the time required in the PO. Piedmont will take the steps it deems necessary to expedite production and/or shipment of the Products in order to deliver them in due time.

5. COMPLIANCE WITH LAWS. The parties shall comply with all applicable laws and regulations including, but not limited to, export control laws and anti-corruption laws pertaining to bribery, extortion, kickbacks or other unlawful or improper means of obtaining business whether directly or indirectly. Each party shall reasonably cooperate with the other regarding any claim or proceeding and indemnify the other for any act or omission thereof.

6. WARRANTY. Piedmont warrants to the Client that the Products are free from manufacturing defects for a period of twelve (12) months from installation or eighteen (18) months from delivery, whichever occurs first ("**Warranty Period**"), only when used in normal conditions of operation in accordance with Piedmont's instructions or recommendations and within the range of operating conditions specified by Piedmont. This warranty does not extend to parts or components manufactured or incorporated by a third party and not forming part of the Products when Client has acquired it from Piedmont or one of its authorized distributors. Piedmont's obligation under this warranty is limited to replacement of the Products that prove to have a manufacturing defect within the Warranty Period. Prior to returning any Products, Client shall obtain Piedmont's authorization. Shipment expenses of the Products are at Client's charge. Piedmont shall determine, after examination of the Products, of whether returned Products are defective or not. Replacement Products shall be returned by freight. If Piedmont determines that returned Products have no manufacturing defect or that the warranty is considered void, Piedmont shall notify Client accordingly. This warranty shall be void and unenforceable with regard to any Products that have been damaged by accident, mishandling, abuse nor unprotected storage, or that have been repaired, modified, altered, disassembled or otherwise tampered with by anyone other than Piedmont or its authorized representative, or if any replacement part or component not authorized by Piedmont has been used, or if Products have not been installed, used, operated or maintained in accordance with the operating documentation and Piedmont's instructions and recommendations and within the range of operating conditions specified by Piedmont. THIS WARRANTY AND THE REMEDIES DESCRIBED HEREIN ARE EXCLUSIVE AND IN LIEU OF ANY OR ALL OTHER WARRANTY OR REMEDIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. In no event shall Piedmont be liable for any consequential, incidental or other similar types of damages, or for damages for the loss of production or profits, or for injury to persons or property.

7. INDEMNITY. Either party shall indemnify, defend, and hold harmless the other party from and against any and all demands, claims or causes of action of every kind and nature, arising out of or related to the Products provided under this PO, including but not limited to liabilities attributable to personal injury, death, loss of use, or property damage, to the extent caused by the negligence or fault, breach or violation of a statute, ordinance, governmental regulation, standard, or rule, or breach of contract of or by such party, its agents, employees, or subcontractors of any tier. Except for liability due to gross negligence or wilful misconduct or for liabilities attributable to personal injury or death, the indemnity obligation shall be limited to the aggregate value of the PO.

8. INSURANCE. Prior to commencement of the Work and at all time during the term of the Agreement, Piedmont shall obtain and maintain, at its own cost, sufficient insurance coverage for commercial general liability, workers compensation liability and employer's liability. A proof of insurance shall be provided to the Client upon demand.

9. SUSPENSION AND STORAGE. In the event that the Client is requiring an interruption in the work schedule or is not ready or able to accept receipt of the Products after confirmation from Piedmont that the Products are ready to be shipped, Piedmont will keep the Products in storage for a period of 30 days at no charge. After such 30 day period, Piedmont shall be entitled to (i) invoice and obtain payment for all costs and expenses already incurred into the project as of the date of suspension as well as all costs and expenses resulting from such suspension, (ii) charge interest at a rate of 18% per year on retention amount, if any, and (iii) charge storage fees of \$2.50 per square foot of occupied space per month.

10. TERMINATION. This agreement may be terminated before delivery of the Products as described below:

- a. by Piedmont, without notice, upon the occurrence of an event of default, each of the following constitutes an event of default for the purposes of the PO:
 - i. Client is adjudged bankrupt, or a receiver is appointed on account of its insolvency or it enters into an arrangement for the benefit of its creditors,
 - ii. Client persistently fails to pay for the Products as required, or
 - iii. Client otherwise fails to perform or comply with any material term, condition or covenant of the PO,being understood and agreed that in case of termination for default, Piedmont shall be entitled to receive compensation in an amount equal to one hundred percent (100%) of the amount of the PO; or
- b. by Piedmont, for any reason at any time, by giving Client seven (7) days' written notice of termination, being understood and agreed that in such case of termination, Piedmont shall receive compensation in an amount equal to one hundred percent (100%) of the Products delivered to Client as of the date of termination; or
- c. by the Client, for any reason at any time, by giving Piedmont seven (7) days' written notice of termination, being understood and agreed that in such case of termination, Piedmont shall receive compensation in an amount equal to one hundred percent (100%) of the Products delivered to Client as of the date of termination plus twenty percent (20%) of all amounts paid, up to a maximum of one hundred percent (100%) of the amount of the PO.

11. FORCE MAJEURE. Neither party shall be responsible for delays or failures in performance resulting from events or circumstances beyond the control of such party. Such events shall include, but not limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental acts or regulations, fires, communication line failures, power failures and earthquakes.

12. CONFIDENTIALITY. Each party acknowledges that these Terms and Conditions as well as the terms and conditions of the Agreement are confidential and shall be maintained as confidential and not disclosed to any others. The obligations of confidentiality shall continue for the term of the Agreement and shall survive indefinitely thereafter.

13. ASSIGNMENT. Client may not assign the Agreement, without prior written consent of Piedmont.

14. TIME OF ESSENCE. Time is of the essence.

15. CONSEQUENTIAL DAMAGES. Notwithstanding any other provision herein, neither party shall be liable to the other party or to any third party for any special, indirect, consequential, incidental or punitive damages, including without limitations, loss of profit, contracts or, business revenues.

16. CHANGE ORDER AND AMENDMENT. The parties acknowledge and agree that the Work is subject to change. The estimate of costs and time for completion of the Work may be modified subject to changes and is contingent upon factors beyond the control of Piedmont. No supplement, modification, waiver or termination of the Agreement shall be binding unless executed in writing by the parties to be bound thereby. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

17. GOVERNING LAWS. This PO shall be governed by and construed in accordance with the laws of the State of California applicable therein. All disputes shall be resolved by the courts of the State of California and the parties consent to such jurisdiction and waive any other.