

GENERAL CONDITIONS OF SALE

1. CONTRACTUAL REGULATIONS

- A. These general conditions, subject to modifications or waivers agreed in writing, govern all sales contracts between Cerrad Corp., 777 South Flagler Drive, West Tower 8th floor, West Palm Beach, FL 33401 (hereinafter "Cerrad") and the Purchaser and shall apply in place of and prevail over any terms or conditions contained or referred to elsewhere or implied by trade custom, practice or course of dealing.
- B. Variations in the general conditions of sale, offers, credits or allowances agreed by Cerrad's agents or other intermediaries, are not valid unless accepted in writing by Cerrad.

2. SUBJECT OF THE SUPPLY

The supply includes only products and quantities specified in an Order Acknowledgment. Cerrad reserves the right not to accept the Order or modify the Order itself. Before fulfilling orders, Cerrad reserves the right to request sales information.

3. ORDER ACKNOWLEDGEMENT

- A. Written acknowledgment or commencement of performance by Cerrad of the Order, whichever occurs first, shall constitute acceptance of the Order.
- B. The Purchaser is understood to have accepted Cerrad's confirmation and all terms and conditions specified herein as it was drawn up.
- C. The text of the Cerrad's Order Acknowledgment shall prevail in any case over any differing text of the offer or Order.

4. CANCELATION

- A. Special orders, final sale items orders and custom orders may not be cancelled after 24 hours from the sales order date. The rest of the orders may not be canceled after 72 hours from the sales order date.
- B. In the event Cerrad cancels an order, its liability will be limited to refunding any deposit paid to Cerrad for the Goods.

5. PRICES

- A. The Prices for the Goods and Services shall be as set out in the Order Acknowledgment and shall remain valid for 30 days from date of Order Acknowledgment.
- B. If applicable, all Customs and Excise duties, import or export duties and all other taxes, tariffs and surcharges of any nature whatsoever now or hereafter levied or imposed in any country or territory either directly or indirectly in respect of the sale, supply, delivery or use of the

Goods or payments for them or upon freight or other charges shall be borne by Purchaser and except as stated in the Order Acknowledgment are additional to the prices therein stated.

- C. If between issue of Order and date of delivery the price payable by Cerrad for significant material items included in the Goods, shall have increased, Cerrad may increase the prices of such Goods and shall in writing so notify the Purchaser, who shall accept the Goods at the new price.

6. SHIPMENTS

The terms of the shipment shall be set out in the Order Acknowledgment.

7. DELIVERY TIMES

Delivery times are by way of indication only. In any event, Cerrad shall not be deemed responsible for any delivery or performance delays of orders. The Purchaser, therefore, cannot in any case request the termination of the contract or claim compensation for any direct or indirect damages due to delay in delivery.

8. DOCUMENTATION AND SPECIFICATION

- A. All drawings, designs, specifications, samples and particulars of weights and dimensions submitted by Cerrad remain the property of Cerrad and are intended merely to describe the Goods generally. They are not to be regarded as a warranty, representation or contractual term unless it is expressly so stated in the Order Acknowledgment.
- B. Cerrad has a policy of continuous improvement on its products, and reserves the right to alter the specification of standard accordingly.

9. PAYMENTS

- A. Invoices must be paid on the expiry date shown in the invoice.
- B. Any payments made to agents, sales representatives or assistants of Cerrad are not considered to have been carried out until the relative sums have reached Cerrad.
- C. Any delay or irregularity in payment gives Cerrad the right to suspend supplies or to terminate current contracts, even if they do not relate to the payments in question, as well as the right to claim any damages.
- D. Cerrad is in any case entitled, starting from the payment expiry date, and without the need for notice of default, to the interest for the unpaid amount. In the case of non-fulfilment, even only partial, the interest on arrears for the unpaid amount shall start from the day of delivery even if the payment term was agreed on as a later date. Payment for specially fabricated items must be made with order unless otherwise stated in writing by Cerrad.
- E. Cerrad reserves the right at its discretion at any time to withdraw any credit terms and substitute "Cash With Order".

10. INSOLVENCY & DEFAULT

- A. Cerrad may by notice in writing to Purchaser terminate this Agreement if: (i) Purchaser shall become insolvent or bankrupt, or an application shall be made to have declared insolvent or bankrupt, or a receiver or trustee shall be appointed, or shall make an assignment for the benefit of creditors; (ii) Purchaser shall assign or attempt to assign this Agreement, or any right or interest herein, without the Cerrad's prior written consent; (iii) if Purchaser shall fail to perform or comply with any of its obligations or covenants hereunder and such failure is not cured within a period of fourteen (14) days after written notice of such failure is given by Cerrad or such cure is not commenced within such fourteen (14) day period; or (iv) a material breach of the Agreement by the Purchaser; (v) the Purchaser performs this contract improperly, in particular the Purchaser's willful misconduct that could cause harm to the Cerrad, (vi) the Purchaser is acting in a way that could cause financial harm to the Cerrad, could harm Cerrad's reputation, are or could be detrimental to clients' trust for the Cerrad.
- B. In the event of such termination: i) Cerrad shall be entitled by notice in writing to Purchaser to declare immediately due and payable any amounts outstanding from Purchaser to Cerrad under this Agreement; iii) and Cerrad may claim damages from Purchaser for breach of the Agreement.
- C. The provisions of this Condition and the exercise by Cerrad of its rights thereunder are without prejudice to any other rights of Cerrad.

11. GUARANTEES AND COMPLAINTS

- A. Cerrad guarantees only a quality of goods supplied as "prime quality" products, on the conditions stated in the Cerrad's Warranty Conditions. Goods other than of "prime quality" ("B" quality, commercial, second, third, secondary, stock, etc.) shall not be taken into consideration. No other guaranty is given by Cerrad, either implicitly or explicitly, on the Products.
- B. The Purchaser is obliged to check the goods in terms of quality and quantity immediately after receipt and, in the case of a complaint, to give notification of this in writing no later than 7 (seven) days from receipt of the goods; failure to do so will incur the forfeiture of all rights.
- C. Material deemed to be defective must be held at Cerrad's disposal for the checks that it will consider suitable to carry out; any further action (return, repair or other) must be authorized in advance by Cerrad in writing.
- D. Complaints and requests for intervention under guarantee after the material has been laid shall not be taken into account if the defect reported is evident (e.g. defects of size, differences in color shade, etc.). It is made clear that the "prime quality" products may contain defective tiles up to a limit of 5% and that the color or shades of the material supplied may differ from the sample displayed, since ceramic is intrinsically variable in appearance.

- E. Complaints attributed to latent faults or defects must be formalized in writing within 7 (seven) days from their discovery and, in any case, within one year from delivery; failure to do so will incur the forfeiture of all rights under the guarantee and to compensation. As well as the invoice details, the notification must contain a precise description of the defect and an estimate of costs for repair or modification of the product; failure to notify this data will cause the complaint to be deemed invalid.
- F. If the complaint should prove to be unfounded the Purchaser must reimburse Cerrad for all the expenses incurred for assessment (travelling expenses, surveys, etc.).
- G. Cerrad's obligation is, in any case, limited to replacing the defective products only, with the express exclusion of other obligations including costs of replacement, loss of earnings for interruption or suspension of business, inconvenience, consequential damages, etc. The presence of defective tiles does not invalidate the quality of the entire supply, nor does it incur the obligation for its entire replacement.
- H. Cerrad accepts no liability for: i) defects caused by design or installation of the Goods; ii) or if the Goods have been modified or repaired otherwise than as authorized in writing by Cerrad; iii) or if the Goods have not been installed, stored or maintained as recommended by Cerrad.
- I. Subject to the foregoing warranty condition, Cerrad shall be under no liability for any damages or losses, direct or indirect, resulting from defects in design, materials or workmanship.
- J. Cerrad shall have no liability for any indirect or consequential losses or expenses suffered by Purchaser, however caused.

12. TRANSFER OF CONTRACT

The Purchaser may not transfer his position in the contract or in individual binding agreements deriving from this without Cerrad's written acceptance also in this case the Purchaser anyway remains jointly liable with the transferee for the obligations transferred.

13. INDUSTRIAL PROPERTY AND SELECTIVE DISTRIBUTION – LIMITS ON RESALE

Cerrad has an exclusive right to use brand names, designs and patents. In order to guarantee full respect for Cerrad's exclusive rights, as well as the end consumers' expectations with regard to expected quality characteristics, Cerrad manages the supplies of its products by means of a selective distribution system. Cerrad reserves the right to take legal proceedings against anyone who is involved in unauthorized re-selling.

14. LAW GOVERNING THE CONTRACT – PLACE OF JURISDICTION

The contract is governed by Florida law.

15. SUPPLY CHAIN SECURITY

Purchaser undertakes to meet the security and safety conditions during the operations of receiving, delivery, distribution, transport and storage, ensuring that the goods are taken into

delivery, stocked, transported, prepared and loaded in safe places and in safe loading and shipping areas, well protected against intrusion and manipulation, with the only employ of reliable, authorized and duly trained own personnel.