

AFTU  
Standard Terms and Conditions

**1. Acknowledgement/Acceptance**

- a. **Purchaser Acknowledgements** The customer by signing this order, accepting products, making payments or ordering any products after receipts of these terms and conditions shall be deemed to have accepted these terms and conditions.
- b. Unless expressly accepted in writing by a Sagrad Authorized Representative, additional or differing terms or conditions proposed by Purchaser or provided by Purchaser in Purchase's Purchase Order or other documents are rejected and shall have no effect.

**2. Definitions**

- a. **"Agreement"** means the instrument of contracting, such as a Quote, contract, subcontract, acknowledgement, or other such type designation and including these Standard Terms and Conditions and all referenced documents, exhibits and attachments.
- b. **"Sagrad"** means Sagrad, Inc. If a subsidiary or affiliate of Sagrad is identified on the face of this Agreement, then "Sagrad" means that subsidiary or affiliate.
- c. **"Sagrad Authorized Representative"** means a person authorized by Sagrad to administer or execute this Agreement or an individual holding the following position: Chief Executive Officer.
- d. **"Customer or Purchaser"** means the party identified on the face of this agreement acquiring products from Sagrad.
- e. **"Space Launch Vehicle"** means a vehicle that is (i) a launch vehicle; (ii) a reentry vehicle or (iii) a component of a launch or reentry vehicle. The Autonomous Flight Termination Unit ("AFTU") is a component of a Space Launch Vehicle.

**3. Order of Precedence**

Any inconsistencies in this Agreement shall be resolved in accordance with the following descending order of precedence: (1) Quote Addendum, including Quote number \_\_\_\_\_ dated \_\_\_\_ \_\_\_\_, 202\_\_, (2) Supply Agreement (3) Sagrad AFTU Standard Terms and Conditions (this Document), (4) the typed terms on the face of the Customer's Purchase Order without the printed terms and conditions.

**4. Payments, Terms, Taxes, Title & Duties**

- a. **Terms** -Unless otherwise provided shall be net 30 days from the date of invoicing.
- b. **Pricing** - FOB Sagrad's facility and does not include any taxes, freight, handling, duty or similar charges.
- c. **Deposits** - Maybe required as stated on the Quote or Addendum to the Quote.
- d. **Credit- Balance** - Sum owed to a customer that remain unclaimed by the customer for a period on Eighteen (18) months will become the property of Sagrad.
- e. **Title & Secure-Interest** --Title to and right of possession of the items remains in Sagrad until the purchase price is paid in full.
- f. **Assignment**- Sagrad reserves the right to assign accounts receivable as it sees fit.

## AFTU

### Standard Terms and Conditions

- g. **Taxes** -Unless otherwise provided, the Purchaser is liable for and shall pay, all taxes duties, tariffs and similar fees imposed by any government.

#### 5. Packing and Shipping

- a. **Standard Packing & Pricing** – Unless otherwise specified, products will be shipped in standard commercial packaging, or other packaging as required. Special packaging or shipping, if required or requested will be separately invoiced.
- b. **Shipping & Storage Charges** - Quoted pricing are exclusive of shipping charges. If required or requested, shipping charges will be separately invoiced and may be based on standard carrier tariffs in lieu of actual transportation cost. Unless otherwise specified, the FOB point is Sagrad's origination shipping point. Unless otherwise specified with the order, Sagrad may choose a carrier. If products are stored at Sagrad facility upon customer request or due to change in delivery requirement, customer may be liable for storage charges at the sole discretion of Sagrad.

#### 6. Acceptance of Product

- a. **Products Acceptance** – Products are deemed accepted by customer unless customer notifies Sagrad in writing within 10 days of delivery of product shortages, damage or defect
- b. **Return Authorization** – No returns may be made for any reason without a Return Authorization Form issued by Sagrad. If customer refuses to accept tender or delivery of any products or returns any products without authorization from Sagrad, such products will be held by Sagrad awaiting customer's compliance and instructions for a period of 20 days, after which the products may be deemed abandoned and Sagrad may dispose of them at Sagrad's discretion.

#### 7. Limitation of Liability

- a. **General Limitation of Liability** – Notwithstanding any other provision of this order, under no circumstances shall Sagrad be liable to customer or third parties claiming under customer for special, incidental, indirect or consequential damages as a result of any breach of this order.
- b. **Special Limitation of Liability related to AFTU Product Line** – Not withstanding item 7.a above, customer acknowledges that while the AFTU product line sold by Sagrad is intended for the destruction of Space Launch Vehicle and its payload in the event such vehicle becomes a danger to people or property, Sagrad has no liability for loss of life or catastrophic damage to either the Space Launch Vehicle, payload or any earth bound property or individuals or flying property or crew, whether any such claim is based on the premature destruction of any Space Launch Vehicle, or the failure of destruction of any Space Launch Vehicle.

#### 8. Cancellation and Changes

- a. **Cancellation** – Cancellation or reconfiguration of products of this order will be accepted only with the express written approval of Sagrad.

## AFTU

### Standard Terms and Conditions

- b. **Delay and Delivery changes-** Delay in product delivery will be governed by the 1) Quote & Order acceptance 2) Quote Addendum

#### 9. Quality Control

- a. Sagrad shall maintain a quality control system to industry recognized quality standards and in compliance with other specific quality requirements identified in this or the Supply Agreement.
- b. Sagrad shall maintain records of all quality control inspection work complete.
- c. Sagrad will not be responsible for conforming to Government Contract Quality Standards unless it agrees to do so in writing.

#### 10. Intellectual Property, Technical Data and Software

- a. The AFTU executes software licensed from the US Government, including Core Autonomous Safety Software (CASS), AFTU Wrapper Software, and Field Programmable Gate Array Data Load Software developed by the United States Government through the Air Force and National Aeronautics and Space Administration (NASA). Sagrad compiled the US Government Source Code into Object Code and loaded the resulting binary code into AFTU memory for execution. Sagrad hereby licenses customer to use the resultant Object Code solely within the Sagrad AFTU, and for no other purpose. Customer agrees not to reverse engineer, re-engineer, or decompile the object code contained in the AFTU or use it for any other purpose than to operate within the Sagrad AFTU. Customer acknowledges that it has no license to US Government Source Code.
- b. Sagrad warrants that its products shall not infringe or otherwise violate any patent, copyright, trademark, or other intellectual property or property right of any third party.
- c. All work product, deliverable, information, data, discoveries, concepts, ideas, inventions( whether or not patentable), developments , designs, know-how, trade secret, improvements, work of authorship, reports, documents, computer programs, source and object code, mask work and any other materials solely or jointly conceived ,written, created, prepared, made reduced to practice or learned under this agreement and all intellectual property rights related are the sole property of Sagrad.
- d. Except as provided above, the sale of products here under confers no rights in, license under, access to or entitlement of any kind to the purchaser, irrespective of whether the customer had paid or is obligated to pay Sagrad for any part of the design and/or development of the product.
- e. Sagrad shall have no obligation to safeguard or hold confidential any data furnished by customer for Sagrad's or it's supplier's performance of the work under this order unless the parties have entered into a written confidentiality agreement.

AFTU  
Standard Terms and Conditions

- f. Software included in or relating to components supplied by the Sagrad, is sold “**AS IS**”. Neither the US Government nor Sagrad makes any representation or warranty with respect thereto and will have no liability in connection therewith. Customer agrees to comply with the US Government’s and Sagrad’s or other’s requirements with regards to proprietary and similar rights in and to such software (including any requirement to enter into a separate license agreement and /or prohibitions against duplications or disclosure), even if the seal on the “shrink Wrapped” software has been broken by Sagrad. Customer further agrees to indemnify and hold harmless Sagrad and the US Government (including, but not limited to, NASA and the 30<sup>th</sup> Space Wing) from any and all liability, cost or expenses arising from a breach or purported breach of such requirements.

**11. U.S. Government Contracts**

If the goods or service to be furnished under this order are to be used in the performance of a U.S. Government contract or subcontract and a U.S. Government contract number is identified in the customer’s order, those clauses of the applicable U.S. Government procurement regulations whose inclusion in U.S. Government subcontracts is mandatory under Federal Status or Regulation shall be incorporated herein, provided that Sagrad has been given notice of the clause, with the exception that U.S. Government Cost Accounting Standards are not applicable to any order.

**12. Warranty**

- a. Subject to the following paragraphs, Sagrad warrants the AFTU hardware against all defects that result in the AFTU not performing to the mutually agreed Acceptance Test for one year from the date of shipment. The Warranty ends on the date Customer completes installation of the AFTU on Customer's Space Launch Vehicle or subsystem to be attached to Customer's higher-tier contractor's Space Launch Vehicle or the end of one year following shipment, whichever is earlier. This warranty is expressly in lieu of any other warranties, expressed or implied of or by Sagrad. Sagrad reserves the right to correct any defects at no charge, at its option, by (a) repair, (b) replacement, or (c) service in the field. In no event shall Sagrad's liability under this Warranty exceed the cost of repair or replacing such defective item(s).
- b. **Under no circumstances shall Sagrad be liable to customer or third parties claiming under customer for special, incidental, indirect or consequential exemplary or punitive damages however caused including without limitation personal injury, or loss of business or profit, whether or not Customer will have informed Sagrad of the possibility or likelihood of any such damages. Specifically excluded from this hardware warranty are (a) defects or nonconformance caused by and resulting from improper operation, maintenance, or storage of the item(s), and (b) items of characteristically indeterminate life. In no event shall Sagrad liability under this Warranty exceed the cost of repair or replacing such defective items. Except as set**

## AFTU

### Standard Terms and Conditions

forth in this Paragraph 12, neither Sagrad nor its suppliers will have any liability or obligation to customer or any other person for any claim, loss, damage, or expense caused in whole or in part, directly or indirectly, by the inadequacy of any products for any purpose, by any deficiency or defect in any product (whether or not covered by any warranty), by the use or performance of any products or by any failure or delay in Sagrad's performance hereunder. Customer acknowledges that while the AFTUs sold by Sagrad are intended for use in the destruction of a space launch vehicle and its payload in the event such vehicle becomes a danger to people or property, Sagrad retains no liability for loss of life or catastrophic damage to either the space launch vehicle, payload or any earth bound property or individuals or flying property or crew.

- c. **Customers are solely responsible for the choice, selection and use of the Sagrad AFTUs and services described herein. Customer and Customer's higher tier contractors are responsible for all designs and equipment incorporating Sagrad's AFTU. Customer or said higher tier contractor shall provide insurance in accordance with Federal laws and regulations applying to space vehicle launches. In the event the organization required by law to maintain such launch insurance determines it may self-insure under the law, such organization will accept liability for all levels of subcontractors and product providers as would otherwise be covered by such space launch insurance. Sagrad assumes no liability whatsoever relating to the choice, selection, or use of the Sagrad products and services described herein as incorporated in a space launch vehicle.**
  
- d. Customer acknowledges that except as specifically set forth or referenced herein, there are no representations or warranties of any kind (including, without limitation, in advertising materials, brochures, or other descriptive literature) by Sagrad or any other person, expressed or implied, as to the condition or performance of any AFTUs, their merchantability, or fitness for a particular purpose. *"Typical" parameters as set forth in Sagrad's documentation can and do vary in different applications. All operating parameters, including "Typicals" must be validated for each customer application by the customer's technical experts.* Sagrad assumes no responsibility or liability whatsoever for customer or user product specifications or the performance or adequacy of any design or specification provided to Sagrad by or on behalf of the customer.
  
- e. Use of the customer's part number on the quote, quote addendum, supply agreement or any other document or on any products is for convenience only and does not constitute any representation by Sagrad with respect to the performance, specifications, or fitness of any such part for any purpose.

AFTU  
Standard Terms and Conditions

**13. Patent Infringement and Indemnification**

- a. Customer agrees to promptly notify Sagrad in writing of any notice, suit, or other action against Customer based upon a claim that the AFTU or any other Product infringes a U.S. patent, copyright, trademark or trade secret of a third party. Sagrad will defend at its own expense any such action, except as excluded below, and shall have full control of such defense, including all appeals and negotiations. **Sagrad shall not be liable to customer for special, incidental, indirect or consequential damages. This paragraph does not apply to any software covered by Paragraph 10 a through f.**
  
- b. In the event of such notice, Sagrad reserves the right to procure at its expense for the Customer the right to continue using the AFTU or Product or modify the AFTU or Product to render such non-infringing or accept return of AFTU or Product and refund or credit the Customer the original purchase price, less a reasonable charge for depreciation and damage. The preceding agreement by Sagrad in this section shall not apply to any Product or portion thereof manufactured to specifications furnished by or on behalf of the Customer, or any infringement arising out of the use of the Product in combination with other equipment or software not furnished by Sagrad, or due to use in a manner not normally intended, or to any patent, copyright, trademark, or trade secret in which Customer, or subsidiary or affiliate thereof, has a direct or indirect interest, or if Customer has not provided Sagrad with prompt notice, authority, information or assistance necessary to defend the action.

**14. Indemnification**

**a. Cross Waivers** – Pursuant to 51 United States Code §§50901 et. Seq. and 14 CFR §§440.17 and 1226.102 Sagrad and customer (hereinafter “Party or Parties”) hereby agree to a reciprocal waiver of claims of liability or damages as defined in said sections. Specifically each Party waives and releases any claims it may have against the United States, the other Party, and each of their customers, contractors, subcontractors and related entities (as those terms are defined in the applicable regulations) for property damage it sustains and for bodily injury or property damage sustained by its own employees (including crew) resulting from customers launch activities regardless of fault.

**b. Financial Responsibility** -Each party agrees to assume financial responsibility for property damage it sustains and for the property sustained by its own employees (including crew) and to hold harmless and indemnify the United States the other Party, and each of their customers, contractors, subcontractors and related entities, for bodily injury or property damage sustained by its employees resulting from customers launch activities regardless of fault.

## AFTU

### Standard Terms and Conditions

**c. Extension** – Each Party shall extend the requirements of the waiver and release of claims and the assumption of responsibility hold harmless and indemnification as set forth in the section to its customers, contractors, subcontractors and related entities requiring them to waive and release all claims they may have against The United States, the other Party and each of their customers, contractors, subcontractors and related entities, and to agree to be responsible, for property damage they sustain and be responsible, hold harmless and indemnify the United States, the other Party and the respective customers, contractors, subcontractors and related entities of each, for bodily injury or property damage sustained by their own employees resulting from Sagrad’s customer’s launch activities regardless of fault.

**d. Indemnification for failure to flow down required clauses.**

**a.** Sagrad shall defend, indemnify and hold harmless customer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys’ fees, arising out of Sagrad’s failure to properly execute or flow down any federally required cross-waivers.

**b.** Customer shall defend, indemnify and hold harmless customer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys’ fees, arising out of Customer’s failure to properly execute or flow down any federally required cross-waivers.

**e. Extent** – The reciprocal waivers and indemnifications set forth in this section shall apply solely to the extent required by federal law, including but not limited to 14CFR§§ 440.17,1266.102 and 1266.104.

**f. Willful Conduct** – Notwithstanding any provision of these terms and Conditions to the contrary, any waiver, release, assumption of responsibility or agreement to hold harmless and indemnify under this section 14 shall not apply to claims resulting from willful misconduct.

### 15. Export, Import and Trade Controls

- a.** NASA Autonomous Flight Termination System Wrapper Software and Technical Data and 30<sup>th</sup> Wing Space Force Core Autonomous Safety Software and the AFTU Product are ITAR Controlled Software and hardware. Within the United States they may not be made available to foreign persons as defined by 22CFR § 120.16. Nor may they be provided to any person on the Consolidated Screening list available at [www.export.gov](http://www.export.gov) (including but not necessarily limited to: The Bureau of Industry and Security, Denied Person List, Unverified List and Entity List; Office of Foreign Assets Control, Specifically Designated Nationals and Blocked Persons and Changes to List Specifically Designated and Blocked Persons; Directorate of Defense Trade Controls, List of Statutorily Debarred Parties; Bureau of International Security and Nonproliferation, Federal Register notices for nonproliferation sanctions

## AFTU

### Standard Terms and Conditions

- b. The customer shall comply with all applicable export and import control, economic sanction, and trade embargo laws and regulations, including but not limited to the International Traffic in Arm Regulations (“ITAR”), the Export Administration Regulations; the regulations for Importation of Arms, Ammunition and Implements of War; and the regulations enforced by the Office of Foreign Assets Control (“OFAC”)(collectively “Trade Control Laws”). Customer agrees not to transfer or ship the listed software or hardware to a foreign person or entity in the United States or Abroad without first obtaining an ITAR license or exemption from the Office of Munition Control, US Department of State.**
- c. The customer shall not export, export, re-export, transfer, disclose, or otherwise provide or make accessible any Sagrad items, data, technology or service to any location outside the United States, or to any entity, group or organization incorporated outside the United States, or to any person who is not a U.S. citizen or lawful permanent resident, unless the customer has written authorization from the appropriate US Government Agency. Customer agrees to certify to Sagrad its compliance with this Paragraph 15..
- d. The customer represents that neither it nor any parent subsidiary, or affiliate is included on any of the restricted party lists maintained by the U.S. government.
- e. If the customer is engaged in the business of either exporting or manufacturing(whether exporting or not) or brokering defense articles or furnishing defense services, Customers represents that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.
- f. The customer shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expenses, including attorneys’ fees ,all expenses of litigation and /or settlement, and cost , arising from any act or omission of customer, its officers, employees, agents, supplies or subcontractors at any tier, in the performance of any of its obligations under this clause, and reference in the Supply agreement.

#### **16. Incorporation by Reference**

The following documents are applicable to this Agreement and incorporated herein by reference: 1) Sagrad Quote, 2) Sagrad Quote Addendum, 3) Sagrad AFTU Supply Agreement, and 4) Sagrad AFTU Term and Conditions.

- 17. Assignment:** Neither party may assign or subcontract its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding such limitation, Sagrad may assign this Agreement to any party which it has sold or contributed the ownership (whether by assets, license, stock or contract) the business of manufacturing or assembling the AFTU. Sagrad may assign the



## AFTU

### Standard Terms and Conditions

receivables generated by completing the work required by this Agreement to a financial institution for financing purposes.

#### 18. General Terms

- a. **Notices:** All notices to be furnished by the Seller shall be in writing and sent to a Sagrad at 202 West Drive, Melbourne Florida 32907.
- b. **Amendment:** No amendment of this agreement shall bind either party unless it is in writing and signed by the Authorized representatives of the parties. Only a Sagrad Authorized Representative may sign an amendment on behalf of Sagrad, as reference in section 17(a) above.
- c. **Facsimile and counterparts** This agreement may be transmitted electronically or by facsimile. Neither party shall contest the validity of this Agreement, or acknowledgement thereof, on the basis that is Agreement or acknowledgement contains an electronic signature.
- d. **Severability:** Each provision of this Agreement is a separate and independent clause. If a court of competent jurisdiction determines any provision to be illegal or unenforceable law, such provision shall be modified to reflect the party's intent and made legal and enforceable. If such provision cannot be made legal and enforceable, it shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.
- e. **Publicity:** Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Agreement or the subject matter hereof, will be made by the customer without the written consent of Sagrad.
- f. **Survivability** Those clauses that by their nature or express terms are intended to survive termination, expiration or completion of this Agreement shall so survive.
- g. **Entire Agreement** This Agreement contains the entire agreement of the parties related to the subject matter and supersedes any and all prior agreement and communications related thereto, as reference herein.

19. **Applicable Law:** This Agreement shall be governed by the laws of Florida without regard to the conflict rules in that state. The parties specifically waive application of the UN Convention on Contract for International Sale of Goods

#### 20. Products Shortages in Force Majeure Situations

- a. In the event of a force majeure event (as defined herein) which reduces or otherwise limits Sagrad production or delivery capabilities, Sagrad shall prioritize Customer's Orders to meet its commitments to Customers based on its own determination.
- b. Force Majeure shall mean any failure of or delay in performance of this Agreement to the extent that such failure or delay is due to causes beyond Sagrad reasonable control,

AFTU

Standard Terms and Conditions

including acts of God, war, acts of terrorism, strike or labor disputes, embargoes, or government acts or orders.

21. **Waiver** Neither party's delay or failure to enforce any provision of this Agreement, or in exercising any right or remedy under this Agreement, shall be construed as a waiver of any such provision, unless stated in writing. Only a Sagrad Authorized Representative may sign a waiver on behalf of Sagrad.
  
22. **Arbitration** All disputes arising out of or in connection with the present contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules and to be located in Orlando, Florida. The arbitrator(s) shall not have the authority to modify any provision of this Agreement or to award punitive damages. The arbitrator(s) shall have the power to issue mandatory orders and restraint orders in connection with the arbitration. The decision rendered by the arbitrator(s) shall be final and binding on the parties, and judgement may be entered in conformity with the decision in any court having jurisdiction. The agreement to arbitration shall be specifically enforceable under the prevailing arbitration law. During the continuance of any arbitration proceeding, the parties shall continue to perform their respective obligations under this Agreement.