

GENERAL CONDITIONS OF SALE

Wattman USA Inc., est. in Cape Coral, FL 33904, United States

PART I – GENERAL CONDITIONS

Article 1 – Definitions

Unless otherwise clearly demonstrated by the context, the following terms have the meanings specified below:

WU: Refers solely to Wattman USA Inc., a Florida corporation, and does not include its shareholders, directors, officers, employees, agents, or affiliates unless expressly stated in a specific provision of these Conditions.

Client: The individual or legal entity entering into an Agreement with WU for the purchase, rental, or provision of Products or services.

Offer: A proposal or quotation issued by WU for the provision of goods and/or services.

Judicial and Extrajudicial Expenses: All costs incurred in the enforcement or collection of any amounts owed under the Agreement, including attorneys' fees, court costs, arbitration or mediation fees, expert fees, and collection agency expenses.

Order Confirmation: The written or electronic confirmation issued by WU confirming acceptance of an Order.

Agreement: A legally binding contract executed between WU and the Client for the provision of goods or services.

Parties: Refers collectively to WU and the Client.

Price: The sale price of a product or service as detailed on the invoice, exclusive of all applicable taxes, duties, tariffs, shipping charges, and governmental fees.

Products: All goods sold by WU and any related services expressly described in the applicable Order Confirmation.

Conditions of Transport: Delivery terms shall be interpreted in accordance with the applicable Incoterms version expressly stated in the Order Confirmation. In the absence of such specification, delivery shall be governed by the Uniform Commercial Code as adopted in the State of Florida.

Provisional Agreement: A temporary or conditional agreement for the supply of goods or services between WU and the Client.

Conditions: Refers to the present General Conditions of Sale of WU (Part I, Part II, and Part III), which apply to all agreements, transactions, and interactions between WU and the Client unless explicitly stated otherwise and agreed to in writing.

Affiliate: Any entity that directly or indirectly controls, is controlled by, or is under common control with WU, where "control" means the ownership of more than fifty percent (50%) of the voting securities or equivalent ownership interest.

Sales Order: The Order Confirmation or equivalent document specifying the Products, configuration, and pricing for a specific transaction.

Assured Value Program: A voluntary ownership program offered exclusively by WU to eligible Clients located within the continental United States (48 contiguous states and the District of Columbia) for Products sold under the Wattman brand by WU. The Assured Value Program is governed by Part II of these Conditions and by a separate Assured Value Program Agreement. All rights thereunder are non-transferable.

Net Product Price: The price of the Product and its factory-installed options as stated in the applicable Sales Order, excluding packing and crating charges, shipping and delivery charges, applicable taxes, any

discount or promotional reduction applied to the Sales Order, and any Assured Value Program fee. The Net Product Price is the sole basis for calculating trade-in credits under the Assured Value Program.

Trade-In Credit Redemption: Trade-in credits earned under the Assured Value Program are redeemable exclusively toward the purchase of a new Wattman train sold by WU with a Net Product Price equal to or higher than the Net Product Price of the original unit. Trade-in credits may not be applied toward a unit of lower value. Trade-in credits are not redeemable for cash, store credit, refund, or any other form of payment. Where the original unit was acquired through a financing arrangement, the trade-in credit shall first be applied to satisfy any outstanding loan balance on the original unit, with any remaining credit applied as a reduction of the purchase price of the new unit. Where the original unit was acquired without financing, the trade-in credit shall be applied in full as a reduction of the purchase price of the new unit. In no event shall any portion of the trade-in credit be paid out in cash to the Client. Any excess credit remaining after application of the foregoing provisions is forfeited.

WU Pre-Owned: The brokerage service operated by WU for pre-owned Wattman Mini Express and Maxi Express trains within the continental United States. WU Pre-Owned is governed by Part III of these Conditions. WU acts exclusively as broker under this program and does not take title to, ownership of, or possession of pre-owned units at any time.

Brokerage Agreement: A written agreement between WU and the Seller governing the listing, marketing, and brokerage of a pre-owned unit through WU Pre-Owned.

Article 2 – Applicability

These Conditions (Part I, Part II, and Part III) apply to all Offers, Quotations, Provisional Agreements, Order Confirmations, Agreements, and any other legal relationships relating to the sale and delivery of Products and services by WU to the Client.

These Conditions apply exclusively to commercial transactions between business entities. They do not apply to consumer transactions.

Acceptance of any Offer or delivery of Products is expressly conditioned upon the Client's agreement to these Conditions. Any additional, different, or conflicting terms proposed by the Client, including but not limited to terms contained in purchase orders or other documents, are hereby expressly rejected and shall be of no force or effect unless expressly agreed to in writing by an authorized officer of WU.

No deviation from, modification of, or addition to these Conditions shall be binding unless expressly agreed to in writing and signed by an authorized officer of WU. Electronic signatures shall be deemed valid for this purpose.

These Conditions, together with the applicable Order Confirmation, any Assured Value Program Agreement, any Certificate of Enrollment, and any Brokerage Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior or contemporaneous oral or written representations, negotiations, understandings, or agreements.

If any provision of these Conditions is found to be invalid, unenforceable, or otherwise void, such provision shall be severed and replaced by a valid provision that most closely reflects the intent and purpose of the invalid provision. The remaining provisions shall remain in full force and effect.

Article 3 – Offers, Quotations, and Orders

All Offers, Quotations, and Provisional Agreements issued by WU are non-binding and shall constitute invitations to negotiate unless expressly stated in writing to be a "firm offer" signed by an authorized officer of WU. No Offer shall be binding upon WU until accepted in writing by WU through an Order Confirmation.

Orders submitted by the Client shall constitute an offer to purchase and shall not become binding upon WU until accepted in writing by WU. WU reserves the right to reject any Order in whole or in part in its sole discretion.

WU reserves the right to revoke, withdraw, or amend any Offer or Quotation at any time prior to written acceptance by WU.

Any descriptions, depictions, illustrations, technical data, performance estimates, or marketing materials provided by WU are for informational purposes only and shall not constitute an express warranty,

representation, or guarantee unless expressly incorporated into the applicable Order Confirmation in writing.

Article 4 – Agreements

No Agreement shall be binding upon WU unless and until it is confirmed in writing through an Order Confirmation issued by WU.

Once an Order Confirmation has been issued, any modification to the Agreement must be agreed upon in writing and signed by an authorized officer of WU.

WU's obligations under any Agreement are limited to delivering the Products or performing the services as expressly described in the applicable Order Confirmation.

No actions, agreements, settlements, or representations made between the Client and any third party shall bind WU unless expressly agreed to in writing by an authorized officer of WU.

WU may subcontract all or part of the performance of the Agreement to qualified third parties. WU shall remain responsible for performance of the Agreement, subject to the limitations of liability set forth in these Conditions.

Article 5 – Prices

All prices are: (i) net and exclusive of all applicable federal, state, or local taxes, duties, tariffs, customs charges, transportation costs, insurance, storage, installation, and other governmental or regulatory fees; (ii) based on the delivery terms specified in the applicable Order Confirmation; and (iii) determined in accordance with the prices and specifications in effect on the date of the Order Confirmation.

Unless otherwise expressly agreed in writing, all Prices are quoted and payable in United States Dollars (USD).

If the Agreement specifies pricing in Euros (EUR) or Canadian Dollars (CAD), the invoiced amount shall be converted into USD based on the exchange rate published by a nationally recognized financial institution selected by WU on the date payment is received. The Client bears all risks associated with currency fluctuations.

WU shall apply an objectively verifiable exchange rate source in effect on the date payment is received.

The following costs are excluded from the Price unless expressly included in the Order Confirmation: (a) freight, transportation, insurance, warehousing, storage, installation, commissioning, and handling costs; (b) customs duties, tariffs, import or export fees; (c) costs arising from changes in applicable laws, regulations, or governmental measures.

Prices previously quoted do not establish any continuing obligation on WU to maintain such prices for future transactions.

In the event of any increase in tariffs, import duties, customs fees, transportation costs, raw material costs, or other commercially significant cost increases occurring before delivery, WU reserves the right to adjust the Price accordingly.

Article 6 – Delivery and Risk of Loss

Delivery terms shall be as specified in the applicable Order Confirmation and interpreted in accordance with the agreed Incoterms, if any. In the absence of a specified Incoterm, delivery shall be deemed FOB shipping point under the Uniform Commercial Code as adopted in the State of Florida.

Risk of loss and title shall transfer to the Client in accordance with the applicable delivery term specified in the Order Confirmation, regardless of any retention of title by WU pursuant to Article 9.

A clean bill of lading or carrier receipt issued at the time of shipment shall constitute prima facie evidence that the Products were delivered to the carrier in good condition.

The Client assumes full responsibility for any damage, personal injury, regulatory violations, or other losses arising out of unloading activities conducted by the Client or its subcontractors. The Client shall indemnify, defend, and hold harmless WU from any such claims.

Delivery dates are estimates unless expressly guaranteed in writing. WU shall not be liable for delays caused by circumstances beyond its reasonable control.

If delivery of the Products has not occurred within one hundred eighty (180) days after the estimated delivery date stated in the Order Confirmation, and such delay is not caused by a Force Majeure event as defined in Article 12, the Client may cancel the Agreement upon written notice to WU. Upon such cancellation, WU shall refund all deposits and payments received from the Client within thirty (30) days of receipt of the cancellation notice. No cancellation fee under Article 16 shall apply to a cancellation exercised under this provision.

If delivery is delayed due to a Force Majeure event as defined in Article 12, the 180-day period set forth above shall be tolled for the duration of the Force Majeure event. If the Force Majeure event continues for more than one hundred eighty (180) consecutive days, the Client may cancel the Agreement upon written notice to WU with the same refund rights described above.

If the Client fails to take delivery of the Products within thirty (30) days after notification of availability, WU may store the Products at the Client's risk and expense. Storage fees shall accrue at a rate of \$100.00 per day. WU may adjust the daily storage rate from time to time upon thirty (30) days written notice to the Client.

If the Products remain uncollected for more than one hundred eighty (180) days, WU reserves the right to resell or otherwise dispose of the Products in a commercially reasonable manner.

Article 7 – Security Interest and Ownership

WU reserves the right to conduct reasonable due diligence regarding the Client's financial condition prior to or during performance of the Agreement.

Notwithstanding delivery of the Products, title to and ownership of the Products shall remain with WU until full payment of all amounts due under the Agreement has been received. The Client hereby grants WU a first-priority purchase money security interest in the Products and all proceeds thereof until payment in full.

The Client authorizes WU to file any financing statements (UCC-1) or other documents necessary to perfect or protect WU's security interest without the Client's signature to the extent permitted by law.

Until full payment has been received, the Client shall: (a) keep the Products free from liens, encumbrances, and security interests other than WU's; (b) not sell, lease, transfer, or otherwise dispose of the Products without WU's prior written consent; (c) maintain the Products in good condition and adequately insured; (d) promptly notify WU of any third-party claims or legal actions affecting the Products.

Upon any default in payment or other material breach of the Agreement, WU shall have all rights and remedies available under the Uniform Commercial Code and applicable law, including the right to repossess the Products.

Article 8 – Payment

The Client shall pay all invoices in full, without setoff, deduction, counterclaim, or withholding of any kind, within seven (7) calendar days from the invoice date unless otherwise specified in the Order Confirmation.

Unless otherwise specified in the Order Confirmation, full payment shall be due no later than the date of delivery of the Products.

WU may require deposits or installment payments as specified in the Order Confirmation.

The entire unpaid balance shall become immediately due and payable upon the occurrence of any of the following: (a) failure to make timely payment; (b) insolvency, bankruptcy filing, or appointment of a receiver; (c) assignment for the benefit of creditors; (d) dissolution or cessation of business; (e) seizure, levy, or attachment of substantial assets; or (f) any material breach of the Agreement. WU shall provide written notice of default and a five (5) business day opportunity to cure prior to acceleration.

Any past-due amounts shall accrue interest at the rate of 1.5% per month (18% per annum) or the maximum rate permitted by applicable law, whichever is less.

The Client shall be liable for all reasonable costs of collection and enforcement, including attorneys' fees, court costs, and collection agency fees.

Payments received shall be applied, at WU's discretion, first to accrued interest, then to costs and fees, and finally to outstanding principal balances.

In no event shall the combined interest, fees, and charges assessed under this Article exceed the maximum rate permitted by the laws of the State of Florida.

Article 9 – Retention of Title

The provisions of this Article supplement and shall be interpreted consistently with Article 7. Title to the Products shall remain with WU until full payment has been received.

Until full payment of all amounts due, the Client shall: (a) maintain the Products adequately insured, naming WU as loss payee where commercially reasonable; (b) keep the Products free from any liens or encumbrances other than WU's; (c) not sell, lease, transfer, pledge, or otherwise dispose of the Products outside the ordinary course of business without WU's prior written consent; (d) promptly notify WU in writing of any third-party claim, lien, levy, attachment, or legal process affecting the Products.

Upon default, WU shall have all rights and remedies available under the Uniform Commercial Code, including the right to repossess the Products without breach of the peace.

The Client shall indemnify and hold WU harmless from any loss, cost, or expense arising from third-party claims asserting rights inconsistent with WU's security interest.

Where the Client has entered into a financing arrangement with a finance partner recognized by WU, provisions regarding the exercise of Assured Value Program rights are set forth in Part II, Article 22.

Article 10 – Warranties, Verification, Claims

Upon delivery of the Products, WU assigns to the Client any applicable manufacturer warranties solely to the extent permitted by the manufacturer.

The Products may be covered by the New Train Limited Warranty issued exclusively by Wattman Trains & Trams Inc. Such warranty, if applicable, is provided solely by Wattman Trains & Trams Inc. WU is not the manufacturer of the Products and assumes no warranty obligations beyond those expressly stated in this Agreement.

DISCLAIMER OF WARRANTIES

EXCEPT FOR ANY EXPRESS WARRANTY ISSUED SOLELY BY THE MANUFACTURER, THE PRODUCTS ARE PROVIDED "AS IS" AND "WITH ALL FAULTS." WU MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE DISCLAIMED UNDER APPLICABLE LAW, SUCH WARRANTY IS LIMITED IN DURATION TO THE SHORTEST PERIOD PERMITTED BY LAW.

BY ACCEPTING DELIVERY OF THE PRODUCTS, THE CLIENT ACKNOWLEDGES HAVING READ AND UNDERSTOOD THIS DISCLAIMER OF WARRANTIES.

Additional warranty obligations assumed by WU under the Assured Value Program are set forth in Part II, Article 23.

PARTS SUBSTITUTION

Where an original equipment manufacturer ("OEM") part or component required to fulfill a warranty claim or service obligation is no longer available from the original manufacturer, whether due to discontinuation, supply chain disruption, manufacturer insolvency, or any other cause beyond WU's reasonable control, WU reserves the right to substitute a functionally equivalent part or component. A functionally equivalent part or component is one that meets or exceeds the original specifications for fit, form, function, and safety, as determined by WU in its reasonable judgment. The use of a functionally equivalent part or component shall not constitute a breach of warranty, shall not reduce or void any warranty or Assured Value Program coverage, and shall not give rise to any claim by the Client for diminished value, non-conformity, or rejection of the Products.

WARRANTY ABUSE

Warranty coverage under this Article and under the Assured Value Program is provided on a per-unit basis. Each warranty claim must relate exclusively to the specific unit identified by its Train ID Number. The Client shall not submit warranty claims for parts, components, or repairs intended for installation on, or use in connection with, any unit other than the unit to which the claim relates. WU reserves the right to

verify the identity and condition of any unit in connection with a warranty claim. Where WU determines that a warranty claim has been submitted in violation of this provision, WU may deny the claim, recover the value of any parts or services previously provided under the fraudulent claim, and exercise its cancellation rights under Part II, Article 27.

TRANSPORT DAMAGE AND INSPECTION

Transport damage must be reported in writing to both the carrier and WU within twenty-four (24) hours of receipt of the Products. The Client must: (a) note the damage on the delivery receipt before signing; (b) take clear photographs of the shipment and the specific damage; (c) take reasonable steps to prevent further damage. Failure to comply shall constitute a waiver of any claim against WU relating to transport damage.

If transport-related damage is not reasonably discoverable upon delivery but is discovered thereafter, the Client must notify WU in writing within forty-eight (48) hours of discovery.

The Client shall promptly inspect the Products upon receipt for conformity. Any non-conformity must be reported in writing within five (5) calendar days of delivery.

The Client shall be deemed to have accepted the Product and waived any claims if the Client: (a) places the Product into service; (b) uses or operates the Product; (c) transfers possession to a third party; or (d) takes any action inconsistent with rejection under the Uniform Commercial Code.

Notwithstanding the foregoing, acceptance by use shall not constitute a waiver of claims for latent manufacturing defects that are not reasonably discoverable through visual inspection or standard operational testing at the time of delivery, provided the Client notifies WU in writing within forty-eight (48) hours of discovery.

Article 11 – Limitation of Liability

WU's total aggregate liability arising out of or relating to the Agreement, the Products, or any services provided shall not exceed the amount actually recovered and paid under the applicable liability insurance policy maintained by Wattman Trains & Trams Inc., under which WU is listed as an additional insured, for the specific occurrence giving rise to the claim, net of defense costs and subject to the applicable deductible.

In the event the policy referenced above is modified, reduced, or terminated by the manufacturer without prior notice to the Client, WU's liability shall not be reduced below the fallback cap set forth below.

If no payment is made under the policy referenced above for any reason, WU's total aggregate liability for all claims arising out of the same occurrence shall be limited to the lesser of: (i) the invoice value of the Product giving rise to the claim; or (ii) \$75,000.00.

Upon written request by the Client, WU shall provide confirmation of the current status of the applicable liability insurance policy within ten (10) business days.

The liability caps in this Article do not apply to trade-in credits and other obligations under the Assured Value Program. See Part II, Article 29.

WU's liability is strictly limited to direct damages. Direct damages are defined as reasonable, demonstrable, and necessary costs directly and proximately caused by WU's material breach of the Agreement.

IN NO EVENT SHALL WU BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOSS OF REVENUE, LOSS OF USE, LOSS OF BUSINESS OPPORTUNITY, BUSINESS INTERRUPTION, LOSS OF GOODWILL, OR DELAY DAMAGES, EVEN IF WU HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

The exclusions and limitations of liability shall apply regardless of the form of action.

The limitations of liability in this Article shall not apply to damages resulting from WU's willful misconduct or gross negligence.

Article 12 – Force Majeure

"Force Majeure" means any event or circumstance beyond WU's reasonable control that prevents or materially delays performance of its obligations under the Agreement, including but not limited to acts of

God; war; terrorism; civil unrest; natural disasters; fire; flood; epidemic or pandemic; governmental actions or regulatory changes; labor disputes; supply chain disruptions; cyberattacks; transportation interruptions; or failure of critical suppliers not caused by WU's gross negligence.

Upon the occurrence of a Force Majeure event, WU's performance shall be suspended for the duration of the event. WU shall provide written notice to the Client within a commercially reasonable time.

WU shall use commercially reasonable efforts to mitigate the impact and to resume performance as soon as practicable.

If a Force Majeure event continues for more than ninety (90) consecutive days and materially affects performance, WU may terminate the affected portion of the Agreement upon written notice. Prior to termination, the Parties shall consult in good faith to explore alternatives.

Force Majeure provisions specific to the Assured Value Program trade-in window are set forth in Part II, Article 28.

In the event of termination under this Article: (a) the Client shall pay for all Products delivered and services performed prior to termination; (b) WU shall be entitled to reimbursement for all documented and reasonable costs incurred; (c) WU shall not be liable for any delay, non-performance, or damages arising from the Force Majeure event.

Article 13 – Intellectual Property

WU and its suppliers retain all right, title, and interest in and to all intellectual property rights associated with the Products.

The Client is granted a limited, non-exclusive, non-transferable right to use the Products solely for their intended commercial purpose.

The Client shall not remove, alter, obscure, or modify any proprietary notices, labels, trademarks, or serial numbers affixed to the Products.

Any unauthorized modification, tampering, reprogramming, or reverse engineering of the structural, electrical, drivetrain, or electronic control systems of the Products, including software or firmware components, shall void any applicable warranty and may result in immediate termination of the Agreement.

The Client shall promptly notify WU in writing within ten (10) business days of becoming aware of any actual or alleged infringement claim relating to the Products.

Any confidential or proprietary information provided by WU to the Client shall remain confidential and shall not be disclosed to third parties without prior written consent.

Article 14 – Limitation of Actions

Any warranty claim relating to a Product covered by the manufacturer's New Train Limited Warranty shall be governed exclusively by the terms of that warranty.

Any other claim arising out of or relating to the Agreement shall be commenced within one (1) year from the date of delivery of the Product giving rise to the claim.

The Parties expressly agree, pursuant to Section 2-725 of the Uniform Commercial Code as adopted in the State of Florida, to reduce the applicable statute of limitations to one (1) year.

The limitation periods in this Article do not apply to claims arising under the Assured Value Program. See Part II, Article 29.

Failure to commence an action within the time period specified above shall constitute a complete and absolute bar to the claim.

Article 15 – Hold Harmless

The Client shall indemnify, defend, and hold harmless WU, its officers, directors, employees, and agents from and against any and all third-party claims, demands, actions, liabilities, damages, losses, judgments, settlements, fines, penalties, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to: (a) the Client's use, operation, storage, transportation, or resale of the Products; (b) the Client's breach of the Agreement; (c) the Client's violation of applicable laws; (d) any modification,

alteration, misuse, or unauthorized repair of the Products; or (e) injury, property damage, or other loss occurring after risk of loss has transferred to the Client.

This indemnification shall not apply to the extent that a claim is caused solely by WU's gross negligence or willful misconduct.

The Client's indemnification obligations include the duty to defend WU upon written notice of a claim. The Client shall not settle any claim affecting WU without WU's prior written consent.

The indemnification obligations set forth in this Article shall survive termination or expiration of the Agreement.

Article 16 – Termination of the Agreement

16.1 Termination by Mutual Agreement or Client Cancellation

The Agreement may be terminated in whole or in part by mutual written agreement of the Parties.

If the Client cancels the Agreement for convenience after acceptance by WU, the Client shall pay a cancellation fee: (i) ten percent (10%) of the total Agreement amount if cancellation occurs within thirty (30) days; or (ii) twenty-five percent (25%) of the total Agreement amount if cancellation occurs more than thirty (30) days after the Agreement date.

The Client may request documentation of WU's actual costs incurred as a result of the cancellation. If WU's documented actual costs are less than the cancellation fee, the cancellation fee shall be reduced to the amount of actual documented costs, but in no event less than five percent (5%) of the total Agreement amount.

If WU can demonstrate that its actual documented costs exceed the applicable cancellation fee, the Client shall be liable for such additional reasonable and documented costs.

16.2 Termination for Cause

Either Party may terminate the Agreement upon written notice if the other Party materially breaches the Agreement and fails to cure such breach within ten (10) business days after receiving written notice.

16.3 Immediate Termination Due to Insolvency

Either Party may terminate the Agreement upon written notice if the other Party: (a) files for bankruptcy or is declared insolvent; (b) has a receiver appointed; (c) makes an assignment for the benefit of creditors; or (d) ceases substantial business operations.

The effect of termination on Assured Value Program rights is set forth in Part II, Article 29.

16.4 Effect of Termination

Termination shall not relieve the Client of the obligation to pay for Products delivered or services performed prior to termination. WU's liability for undelivered Products shall be limited to refund of amounts actually paid for such undelivered Products, subject to any applicable cancellation fees. All provisions relating to payment obligations, limitation of liability, indemnification, intellectual property, and limitation of actions shall survive termination.

Article 17 – Jurisdiction and Disputes

These Conditions shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict of law principles.

The United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

As a condition precedent to initiating litigation, the Parties shall attempt in good faith to resolve any dispute through non-binding mediation. Mediation shall be conducted in Lee County, Florida, with costs shared equally between the Parties. If mediation does not resolve the dispute within sixty (60) days, either Party may commence litigation.

The state courts of Florida located in the county where WU maintains its principal place of business, or the United States District Court for the appropriate federal district in Florida, shall have exclusive jurisdiction.

TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THE AGREEMENT OR THE PRODUCTS. EACH PARTY CERTIFIES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL REGARDING THIS WAIVER.

No claim may be brought as a class action, collective action, consolidated action, or representative proceeding.

Notwithstanding the foregoing, WU may seek temporary, preliminary, or permanent injunctive or equitable relief in any court of competent jurisdiction to protect its intellectual property rights, confidential information, or security interests.

Article 18 – Notices

All notices, demands, requests, and other communications required or permitted under these Conditions shall be in writing and shall be deemed duly given: (a) upon personal delivery; (b) one (1) business day after deposit with a nationally recognized overnight courier service, prepaid; (c) three (3) business days after mailing by certified or registered mail, return receipt requested, postage prepaid; or (d) upon confirmed transmission if sent by email to an address previously designated in writing by the receiving Party.

Article 19 – Assignment

The Client may not assign, transfer, or delegate this Agreement or any rights or obligations hereunder without the prior written consent of WU. Any attempted assignment in violation of this provision shall be void. WU may assign this Agreement to any Affiliate or successor entity without the Client's consent, provided that such assignment does not materially diminish the Client's rights.

Article 20 – No Waiver

No failure or delay by WU in exercising any right, power, or remedy shall operate as a waiver thereof. No waiver shall be effective unless made in writing and signed by an authorized officer of WU. A waiver of any provision on one occasion shall not be deemed a waiver of any other provision or of such provision on any other occasion.

Article 21 – Data Use and Privacy

In connection with the performance of the Agreement and any Assured Value Program Agreement, WU may collect, store, and process Client data including contact information, unit identification data, service and maintenance records, operational data, and financial information. WU shall use such data solely for: (a) administration and performance of the Agreement and any Assured Value Program; (b) warranty claim processing; (c) service and maintenance coordination; (d) trade-in valuation; (e) communication of product updates, safety notices, and program-related information; and (f) compliance with applicable law. WU shall not sell Client data to third parties. WU may share Client data with authorized service providers, finance partners, and Affiliates to the extent necessary. WU shall maintain commercially reasonable safeguards to protect Client data. The Client may request access to or deletion of their data by providing written notice in accordance with Article 18.

In the event of a data breach affecting Client data, WU shall notify the Client in accordance with applicable law, including the Florida Information Protection Act (Florida Statute 501.171).

PART II – ASSURED VALUE PROGRAM

The following Articles apply exclusively to Clients enrolled in the Wattman Assured Value Program. Part II is an integral part of these General Conditions of Sale and is subject to all provisions of Part I unless expressly stated otherwise.

Article 22 – Scope and Applicability

The Assured Value Program is available exclusively to Clients located within the continental United States (48 contiguous states and the District of Columbia) for new Wattman Mini Express and Maxi Express trains sold by WU.

All rights under the Assured Value Program are personal to the enrolled Client and are non-transferable. Any purported assignment or transfer without the prior written consent of WU shall be void.

Enrollment in the Assured Value Program requires execution of a separate Assured Value Program Agreement between WU and the Client. The Assured Value Program Agreement is supplemental to and governed by these General Conditions of Sale.

Where the Client has entered into a financing arrangement with a finance partner recognized or referred by WU, and such financing arrangement remains in good standing, the Client's rights under the Assured Value Program shall be exercisable by the Client as the operational user of the Products, irrespective of whether legal title is held by the finance partner during the term of the financing arrangement. This provision does not create any obligation on the part of the finance partner, nor does it modify any security interest held by the finance partner.

Article 23 – Extended Warranty

Where the Client has entered into an Assured Value Program Agreement, WU assumes a separate contractual warranty obligation for months 25 through 48 from the original date of delivery (the "Extended Warranty").

The Extended Warranty is a separate obligation of WU and does not modify, expand, or alter the manufacturer warranty issued by Wattman Trains & Trams Inc. WU's assumption of the Extended Warranty is an express exception to the disclaimer of warranties set forth in Article 10 of Part I, limited to the scope set forth in this Article.

The Extended Warranty covers defects in materials and workmanship under normal use, consistent with the scope and exclusions of the manufacturer warranty as in effect on the date of enrollment in the Assured Value Program. Normal wear items (tires, batteries, paint, upholstery, seats, flooring) are excluded.

Batteries are excluded from Extended Warranty coverage and are subject to separate manufacturer warranty terms.

All warranty claims during the Extended Warranty period (months 25 through 48) are submitted directly to WU. WU administers all claims and coordinates any necessary repairs or parts replacement.

The parts substitution provisions of Article 10 of Part I apply to all repairs and replacements under this Extended Warranty.

Article 24 – Trade-In Guarantee

WU guarantees the following trade-in credits, calculated as a percentage of the Net Product Price as defined in Article 1:

(a) Month 36 through Month 48: 35% of the Net Product Price.

(b) Month 49 through Month 60: 25% of the Net Product Price.

Trade-in credits are redeemable exclusively in accordance with the Trade-In Credit Redemption definition in Article 1. In summary: (a) credits are available only toward the purchase of a new Wattman train with a Net Product Price equal to or higher than the original unit; (b) for financed units, the credit is first applied to satisfy the outstanding loan balance, with any remainder reducing the new purchase price; (c) for cash

purchases, the credit reduces the new purchase price directly; (d) credits are not redeemable for cash; (e) excess credits are forfeited.

The Client must confirm the trade-in within ninety (90) days of WU's written confirmation of eligibility.

Trade-in rights not exercised before the expiration date stated in the Assured Value Program Agreement are forfeited without further notice.

Article 25 – Eligibility Conditions

The guaranteed trade-in values are available when the following conditions are met at the time of trade-in:

- (a) Original Parts. All replacements and repairs have been completed using genuine Wattman parts supplied or approved by WU.
- (b) No Structural Modifications. The unit has not been modified to its frame, drivetrain, electrical systems, or body beyond the configuration approved by WU.
- (c) Condition. The unit is free of structural damage, unrepaired collision damage, or evidence of neglect. Normal wear to tires, batteries, paint, and upholstery is acceptable.
- (d) Operating Location. The unit has been operated within the continental United States for the duration of the enrollment.
- (e) Financial Standing. No outstanding obligations to WU at the time of trade-in. The unit is free of liens, levies, and encumbrances.
- (f) Insurance. The Client has maintained commercially reasonable insurance coverage on the Products for the duration of enrollment. In the event the Products are declared a total loss, designated as salvage, or destroyed beyond economically reasonable repair, all rights under the Assured Value Program shall automatically and immediately terminate.
- (g) Battery Condition. At the time of trade-in, WU shall assess battery condition as part of the physical inspection. Batteries that have degraded below seventy percent (70%) of their original rated capacity shall be subject to a documented deduction from the guaranteed trade-in credit. The deduction schedule shall be made available to the Client upon request.

Eligibility is verified through a physical inspection by WU at the time of trade-in. Where conditions are not fully met, a documented deduction schedule applies. The guaranteed value is not forfeited entirely.

Article 26 – Trade-In Process

26.1 Trade-In Request

The Client initiates the trade-in process by submitting a written trade-in request to WU in accordance with Article 18. The request must include the Train ID Number, the approximate current condition of the unit, and the Client's intended purchase of a new Wattman train. WU shall acknowledge receipt within ten (10) business days.

26.2 Valuation and Inspection

WU shall schedule a physical inspection at the Client's operating location or at a mutually agreed location. The inspection shall assess the unit against the eligibility conditions set forth in Article 25. WU shall prepare a written Trade-In Valuation stating: (a) the applicable guaranteed trade-in percentage; (b) the Net Product Price on which the credit is calculated; (c) the gross guaranteed trade-in credit; (d) any deductions for non-compliance, documented with reference to the applicable deduction schedule; and (e) the net trade-in credit available to the Client.

WU shall deliver the Trade-In Valuation within fifteen (15) business days of the inspection. The Client shall have fifteen (15) business days to accept or dispute the valuation in writing. If the Client does not respond within such period, the Trade-In Valuation shall be deemed accepted.

26.3 Dispute of Valuation

If the Client disputes the Trade-In Valuation, the Client shall provide written notice of the specific items in dispute within the acceptance period. The Parties shall attempt to resolve the dispute in good faith within

thirty (30) days. If the Parties are unable to resolve the dispute, the matter shall be referred to the dispute resolution provisions of Article 17. The 90-day confirmation window shall be tolled for the duration of any valuation dispute.

26.4 Collection of the Trade-In Unit

Following acceptance of the Trade-In Valuation, WU shall arrange collection of the trade-in unit from the Client's operating location.

Obligations of WU. (a) WU shall provide packing and crating materials suitable for safe transport, delivered to the Client's location in advance of the scheduled collection date. (b) WU shall provide written packing and loading instructions specific to the unit model and transport method. (c) WU shall arrange and bear the cost of transportation within the continental United States. (d) WU shall arrange commercially reasonable transit insurance covering the unit during transport.

Obligations of the Client. (a) The Client shall prepare the unit for collection in accordance with WU's written instructions. (b) The Client shall load the unit onto the carrier's transport vehicle using equipment and personnel arranged by the Client, following WU's loading procedures. (c) The Client shall make the unit available at the agreed date and time. (d) The Client shall ensure the unit is in the same condition as documented in the Trade-In Valuation. Any material deterioration between inspection and collection may result in an adjustment to the trade-in credit.

26.5 Transfer of Title

Title to the trade-in unit shall transfer from the Client to WU upon physical collection by WU's designated carrier. Risk of loss transfers to WU at the same moment, provided the Client has complied with its obligations under this Article. The Client warrants that the trade-in unit is free and clear of all liens, encumbrances, security interests, and claims of third parties.

26.6 Loading Damage

The Client is responsible for any damage to the trade-in unit caused during loading. If damage during loading materially affects the condition of the unit, WU may adjust the trade-in credit or reject the unit and reschedule collection. Damage occurring after the unit has been loaded and accepted by the carrier is covered by the transit insurance arranged by WU.

Article 27 – Cancellation of Assured Value Program

WU may cancel or suspend the Client's participation in the Assured Value Program, including the forfeiture of accrued trade-in credits and termination of Extended Warranty coverage, upon written notice to the Client in any of the following circumstances:

- (a) The Client is in material default under the Agreement, including failure to pay any amounts due to WU for a period exceeding thirty (30) days after written notice of default.
- (b) The Client has failed to comply with the service and maintenance requirements set forth in the applicable Assured Value Program Agreement.
- (c) The Client has performed or authorized unauthorized modifications to the structural, electrical, drivetrain, or electronic control systems of the Products in violation of Article 13 of Part I.
- (d) The Client has relocated the primary operating location of the Products outside the continental United States.
- (e) The Products have been declared a total loss, designated as salvage, or are no longer in operable condition due to a casualty event.
- (f) WU has reasonable grounds to believe that the Client has engaged in warranty abuse, including but not limited to: submitting warranty claims for parts or components intended for installation on a unit other than the unit identified in the applicable warranty or Assured Value Program Agreement; misrepresenting the condition, identity, or serial number of a unit; submitting claims for damage caused by the Client's own actions while representing such damage as covered warranty events; or any other pattern of conduct that, in WU's reasonable determination, constitutes fraudulent or abusive use of the warranty or the Assured Value Program.

Prior to cancellation under subsections (a) through (c), WU shall provide the Client with thirty (30) days written notice and an opportunity to cure the default. Cancellation under subsections (d), (e), and (f) is effective immediately upon written notice. In the case of subsection (f), WU shall provide a written statement of the grounds for cancellation. The Client may dispute the cancellation in accordance with Article 17 of Part I.

Article 28 – Force Majeure and the Assured Value Program

Where a Force Majeure event as defined in Article 12 of Part I prevents WU from fulfilling its obligations under the Assured Value Program, including the inability to supply a replacement unit for trade-in purposes, WU may extend the applicable trade-in window by a period equal to the duration of the Force Majeure event, up to a maximum extension of twelve (12) months.

WU shall notify the Client in writing of any such extension within thirty (30) days of the commencement of the Force Majeure event. The extended trade-in window shall carry the same guaranteed percentages as the original window in which the Force Majeure event commenced.

Article 29 – Relationship to Part I

The Assured Value Program is governed by both Part I and Part II of these General Conditions of Sale. In the event of conflict between Part I and Part II, the provisions of Part II shall prevail with respect to matters specifically addressed in Part II. For all matters not specifically addressed in Part II, the provisions of Part I shall apply.

29.1 Limitation of Liability

The liability caps set forth in Article 11 of Part I do not apply to WU's obligation to honor trade-in credits or other contractual commitments expressly undertaken under the Assured Value Program. Such obligations constitute independent contractual payment commitments and are not subject to the aggregate liability caps of Article 11.

29.2 Limitation of Actions

The limitation periods set forth in Article 14 of Part I do not apply to claims arising under the Assured Value Program. Claims under the Assured Value Program, including trade-in credit claims and Extended Warranty claims, shall be governed by the limitation periods expressly stated in the applicable Assured Value Program Agreement.

29.3 Survival of AV Rights

Termination or cancellation of the Agreement under Article 16 of Part I shall not affect, terminate, or modify the rights and obligations of the Parties under the Assured Value Program, unless expressly provided in the Assured Value Program Agreement. Trade-in credits earned under the Assured Value Program shall survive termination of the Agreement to the extent the Client has satisfied all conditions for eligibility.

29.4 Insolvency

Notwithstanding Section 29.3, all rights under the Assured Value Program, including accrued trade-in credits, shall automatically terminate upon the occurrence of any insolvency event described in Section 16.3 of Part I with respect to the Client.

29.5 Dispute Resolution

Any dispute arising under the Assured Value Program shall be resolved in accordance with the dispute resolution provisions of Article 17 of Part I.

PART III – PRE-OWNED BROKERAGE

The following Articles apply exclusively to pre-owned brokerage transactions facilitated by WU through its WU Pre-Owned program. Part III is an integral part of these General Conditions of Sale and is subject to all provisions of Part I unless expressly stated otherwise.

Article 30 – Scope and Applicability

WU Pre-Owned is a brokerage service offered by WU for pre-owned Wattman Mini Express and Maxi Express trains within the continental United States (48 contiguous states and the District of Columbia). WU acts exclusively as broker in all pre-owned transactions. WU does not at any time take title to, ownership of, or possession of the pre-owned unit. WU is not a dealer, reseller, or remarketer of pre-owned Products. All representations regarding the condition, history, fitness, or value of a pre-owned unit are made solely by the Seller. WU does not verify, warrant, or guarantee the accuracy of any such representations.

The Seller retains sole authority over the listing price and acceptance of any offer. WU provides pricing guidance as a courtesy but does not set, approve, or control the listing price or sale price. The Seller makes all final pricing and acceptance decisions.

Pre-owned units sold through WU Pre-Owned are sold “as is” and “with all faults.” No manufacturer warranty, Extended Warranty, or Assured Value Program coverage applies to pre-owned units unless expressly stated in a separate written agreement between WU and the Buyer.

WU Pre-Owned brokerage is available exclusively for commercial transactions between business entities. Consumer transactions are excluded.

In these Part III provisions, “Seller” refers to the owner of the pre-owned unit engaging WU as broker, and “Buyer” refers to the business entity acquiring the pre-owned unit. Both Seller and Buyer are considered “Clients” for purposes of Part I.

Article 31 – Brokerage Agreement

Each pre-owned brokerage engagement begins with the execution of a Brokerage Agreement between WU and the Seller. No listing, marketing, or negotiation activity shall commence until the Brokerage Agreement is fully executed.

The Brokerage Agreement shall specify: (a) the identity of the Seller and confirmation of ownership or authority to sell; (b) the unit to be listed, identified by Train ID Number, model, Edition, and year of manufacture; (c) the listing price agreed between WU and the Seller; (d) the listing fee payable by the Seller at signing; (e) the success fee structure applicable upon sale; (f) the duration of the listing period; and (g) exclusivity terms, if any.

The Seller represents and warrants to WU that: (a) the Seller has good and marketable title to the unit, free and clear of all liens, encumbrances, security interests, and claims of third parties; (b) the Seller has full legal authority to sell the unit; (c) all information provided by the Seller regarding the condition, history, and specifications of the unit is accurate and complete to the best of the Seller’s knowledge; and (d) the Seller shall promptly disclose to WU any material changes in the condition or status of the unit during the listing period.

WU may decline to accept a listing in its sole discretion, including where the unit does not meet WU’s quality or reputational standards.

Article 32 – Listing and Marketing

Upon execution of the Brokerage Agreement and receipt of the listing fee, WU shall prepare and publish a listing for the pre-owned unit.

WU shall market the listing through commercially reasonable channels. WU retains sole discretion over the marketing channels, content, and frequency.

The initial listing period is sixty (60) days from publication. WU and the Seller shall conduct a pricing and strategy review after sixty (60) days if no sale has occurred. After one hundred eighty (180) days, the listing fee is fully earned regardless of outcome, and the Seller shall decide whether to continue the listing under a new agreement.

The Seller may withdraw the listing at any time upon written notice to WU. The listing fee is non-refundable upon withdrawal. If the Seller withdraws the listing and subsequently sells the unit privately to a buyer introduced by WU within one hundred eighty (180) days of withdrawal, the full success fee shall remain payable to WU.

Article 33 – Inspection

WU may arrange a pre-purchase inspection of the pre-owned unit at the Buyer's request. The inspection shall be conducted by a qualified independent technician who has no financial interest in the transaction. The inspection shall cover, at a minimum: (a) exterior condition; (b) interior condition; (c) electrical and electronic systems; (d) battery condition; (e) operational test (start-up, forward and reverse operation, braking, turning); and (f) wagon condition.

The cost of the pre-purchase inspection is borne by the Buyer unless otherwise agreed. The inspection fee is non-refundable regardless of transaction outcome.

WU does not guarantee the accuracy or completeness of any inspection report. The inspection supplements, but does not replace, the Buyer's own due diligence.

Article 34 – Offer and Negotiation

WU facilitates negotiations between Seller and Buyer. WU acts as a neutral intermediary and does not advocate for either party.

A written offer from the Buyer shall include: (a) the proposed purchase price; (b) payment method and timing; (c) any inspection contingency; (d) delivery logistics; (e) proposed closing timeline; and (f) acknowledgment that the unit is sold as-is.

When the Seller and Buyer reach agreement on all material terms, WU shall prepare a written offer acceptance document for signature by both parties.

WU shall not be liable for the failure of any negotiation or for the inability of the parties to reach agreement on terms.

Article 35 – Closing and Title Transfer

35.1 Closing Documents

Each pre-owned brokerage transaction shall be closed through the execution of: (a) a Bill of Sale between Seller and Buyer, prepared by WU, containing full identification of both parties, unit identification, purchase price, as-is clause, broker-not-dealer acknowledgment, and governing law (State of Florida); (b) a funds flow document detailing the purchase price breakdown, WU fees, and net amount payable to the Seller; (c) a title transfer document confirming the direct transfer of title from Seller to Buyer; and (d) an inspection report and Buyer acknowledgment, if an inspection was conducted.

35.2 Escrow

For transactions with a sale price exceeding \$25,000, WU recommends the use of a third-party escrow service. The escrow service fee is \$500 flat and shall be allocated as specified in the Brokerage Agreement.

35.3 Title Transfer

Title to the pre-owned unit transfers directly from the Seller to the Buyer. WU does not take title at any point in the transaction. The Seller warrants at closing that the unit is free and clear of all liens, encumbrances, security interests, and claims of third parties. If any lien or encumbrance is discovered after closing, the Seller shall indemnify and hold harmless both WU and the Buyer from any resulting claims, costs, and expenses.

35.4 As-Is Sale

All pre-owned units sold through WU Pre-Owned are sold “as is” and “with all faults.” Neither WU nor the Seller provides any warranty, express or implied, regarding the condition, merchantability, fitness for a particular purpose, or future performance of the unit, except to the extent the Seller has made specific written representations regarding identified defects or conditions in the Bill of Sale. The Buyer acknowledges that it has had the opportunity to inspect the unit and accepts the unit in its present condition.

Article 36 – Transport and Delivery

Transport of the pre-owned unit may be arranged by the Buyer independently or coordinated by WU as an add-on service.

36.1 Buyer-Arranged Transport

Where the Buyer arranges transport independently, the Buyer assumes full responsibility for transport logistics, insurance, loading, and unloading. Risk of loss transfers from the Seller to the Buyer upon delivery of the unit to the Buyer’s designated carrier at the Seller’s location.

36.2 WU-Coordinated Transport

Where WU coordinates transport, WU shall: (a) select a qualified carrier with appropriate DOT compliance, commercial trucking license, and cargo insurance (minimum \$100,000 per load); (b) arrange pickup and delivery within the continental United States; and (c) provide tracking information to both parties during transit.

36.3 Loading and Unloading

The Seller is responsible for loading the unit at the Seller’s location. The Buyer is responsible for unloading the unit at the Buyer’s location. Each party bears the risk of damage during its respective loading or unloading activities. WU is not responsible for any damage during loading, unloading, or transit.

36.4 Delivery Acceptance

Upon delivery, the Buyer shall inspect the unit for transit damage and note any damage on the carrier’s delivery receipt before signing. The Buyer shall notify WU and the carrier in writing within twenty-four (24) hours of delivery of any transit damage. Failure to provide timely notice shall constitute acceptance of the unit in the condition delivered.

Article 37 – Fees and Payment

37.1 Listing Fee

The Seller shall pay a listing fee at the time of execution of the Brokerage Agreement, in the amount specified in the Brokerage Agreement. The listing fee is non-refundable. If a sale is completed within one hundred eighty (180) days of listing, the listing fee shall be credited against the success fee.

37.2 Success Fee

Upon completion of a sale, the Seller shall pay WU a success fee calculated as a percentage of the final sale price, as specified in the applicable Brokerage Agreement.

WU may revise the fee schedule from time to time. The fee schedule in effect at the time of execution of the Brokerage Agreement shall govern that transaction.

The success fee is earned upon execution of the Bill of Sale and is payable from the transaction proceeds.

37.3 Add-On Services

Additional services (pre-purchase inspection, transport coordination, escrow and closing administration, pre-sale refurbishment coordination) are available at the fees specified in the applicable Brokerage Agreement. Fees are subject to adjustment by WU upon prior written notice.

37.4 Payment Terms

All fees are payable in United States Dollars. The listing fee is due at signing of the Brokerage Agreement. The success fee and add-on service fees are due at closing and may be deducted from the transaction proceeds or escrow. Late payment of any fees shall accrue interest at the rate specified in Article 8 of Part I.

Article 38 – Relationship to Part I

The WU Pre-Owned brokerage program is governed by both Part I and Part III of these General Conditions of Sale. In the event of conflict between Part I and Part III, the provisions of Part III shall prevail with respect to matters specifically addressed in Part III. For all matters not specifically addressed in Part III, the provisions of Part I shall apply.

38.1 Limitation of Liability

WU's liability in connection with any pre-owned brokerage transaction shall be limited to the amount of the success fee actually received by WU for that transaction. WU shall not be liable for the condition, value, fitness, or performance of the pre-owned unit, which is sold exclusively by the Seller on an as-is basis.

38.2 Survival

The obligations of the Seller under the Brokerage Agreement and the Bill of Sale, including representations and warranties regarding title and the indemnification obligations set forth in Article 35.3, shall survive completion of the transaction.

38.3 Dispute Resolution

Any dispute arising under the WU Pre-Owned brokerage program shall be resolved in accordance with the dispute resolution provisions of Article 17 of Part I.