

I. PRODUCT DESCRIPTION; ACCEPTANCE

The acceptance by Simtech, Inc. ("Seller") of any order placed by Buyer (an "Order") of goods and services, including, but not limited to Spare Parts, Repair and Overhaul Services, Ground Support Equipment, or Component Exchanges ("Products"), is expressly made conditional upon Buyer's agreement to the terms and conditions contained herein. Any other terms and conditions, including those set forth in Buyer's purchase order or other ordering documentation are hereby rejected and deemed null and void.

II. PAYMENT

- A. **Payment** - Terms are net 30 days from date of invoice unless otherwise specified on the face of invoice. All items quoted are in United States dollars and all amounts shall be paid in cash or in negotiable paper collectable at its face value in United States Funds.
- B. **Letter of Credit** – If requested by Seller in writing, Buyer shall establish for the benefit of Seller an irrevocable Letter of Credit in form and substance acceptable to the Seller, and opened by or confirmed by a U.S. Bank located in New York City, New York, U.S.A., which is acceptable to Seller, in the amount requested by Seller, for payment in accordance with this paragraph. Such Letter of Credit shall be established within thirty (30) days of Buyer's execution of this Order and shall expire no earlier than six (6) months after the termination of this Order. All costs associated with opening and/or confirming such Letter of Credit outside the USA are the responsibility of Buyer.

III. DELIVERY/INSPECTION PROCEDURE

- A. **Products** - All products shall be delivered EXW (INCOTERMS 2010) Seller's U.S.A. facility, unless otherwise indicated by Seller.
- B. **Accelerated Delivery/Partial Shipment** - Seller is authorized to advance the delivery date, or complete performance of any order, prior to the time set forth in such order, and Seller shall have the right to deliver the Products in partial shipments and invoice Buyer for that portion which was shipped.

IV. WARRANTIES

- A. **Spare Parts and Ground Support Equipment** - Seller warrants to Buyer that, at the time of delivery, the spare parts and ground support equipment sold hereunder (the "Parts") will be free from defects in material and manufacture. Seller's sole liability and Buyer's exclusive remedy under this warranty are limited to the repair or replacement, at Seller's election, of Parts or components thereof which are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of the defect is given by Buyer to Seller no later than thirty (30) days after Buyer's discovery of the defect

within the warranty period. The warranty period shall extend for a period of one (1) year or one thousand (1,000) operating hours after delivery, whichever occurs first, for Factory New condition Parts, six (6) months or five hundred (500) operating hours, whichever occurs first, for Overhauled condition Parts. New Surplus condition Parts are sold on as "as is" basis and are nonreturnable. Transportation charges for the return of such defective Parts to Seller and its reshipment to Buyer and the risk of loss thereof will be borne by Seller only if returned in accordance with written shipping instructions from Seller. Replacement (newly manufactured or repaired) Parts are warranted for the remainder of the applicable original warranty period, if any. This warranty shall not apply to any Part which in Seller's judgment (1) shall have been repaired or altered outside the facilities of Seller in any way so as to affect the safety, function, or reliability of the aircraft or Part, or (2) has been subject to misuse, negligence, accident, or other abuse.

- B. **Overhaul/Repair Services** - Seller warrants to Buyer that overhaul or repair services performed by Seller ("Repair Services") will have been performed in a workmanlike manner. Seller's sole liability and Buyer's exclusive remedy under this warranty are limited to the correction of such Repair Services, at the factory of manufacturer and/or on site at the Buyer's facility, as are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of the defect shall have been given by Buyer to Seller within one (1) year or one thousand (1000) operating hours, whichever occurs first, for overhaul services, or six (6) months or five hundred (500) operating hours, whichever occurs first, for repaired items, after the date of performance of such Repair Services by Seller, but in no event later than thirty (30) days after Buyer's discovery of a defect within the warranty period. Transportation charges (excluding related import and export charges) for the return of Products to Seller in connection with defective Repair Services and their reshipment to Buyer and the risk of loss thereof will be borne by Seller only if returned in accordance with Seller's written shipping instructions. Any parts provided in the performance of Repair Services hereunder and sold hereunder shall be subject to the warranty set forth in paragraph A above.
- C. **Component Exchange Parts** - Seller warrants to Buyer that, at the time of delivery, Products sold pursuant to an Exchange Agreement Program will be free from defects in material and manufacture. Seller's liability and Buyer's remedy under this warranty are limited to the repair or replacement of such defective Products, at Seller's election, as are shown to Seller's reasonable satisfaction to have been defective; provided that written notice of such defect shall have been given by Buyer to Seller within six (6) months or five hundred (500) operating hours after the date of delivery, whichever occurs first, but in no event later than thirty (30) days after Buyer's discovery of the defect within the warranty period, and provided further that the Buyer may be charged for such repair or replacement.

- D. **Title** - Seller warrants to Buyer that it will convey good title to the Products sold hereunder. Seller's liability and Buyer's remedy under this warranty are limited to the removal of any title defect or at the election of Seller to the replacement of the Products which are defective in title.
- E. **Exclusive Warranties and Remedies** - THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF (i) ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; AND (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY IN CONTRACT OR TORT, WHETHER ARISING FROM SELLER'S OR ANY OF SELLER'S AFFILIATES' NEGLIGENCE, ACTUAL OR IMPUTED, STRICT TORT LIABILITY OR BREACH OF WARRANTY. THE REMEDIES OF BUYER SHALL BE LIMITED TO THOSE PROVIDED HEREIN TO THE EXCLUSION OF ANY OTHER REMEDIES INCLUDING, WITHOUT LIMITATION, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, STATUTORY OR INDIRECT DAMAGES, LOSS OF PROFITS OR LOSS OF REVENUES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTIES, REMEDIES, OR THIS LIMITATION WILL BE BINDING UPON SELLER OR ANY OF ITS AFFILIATES UNLESS IN WRITING, SIGNED BY A DULY AUTHORIZED OFFICER OF SELLER OR SUCH AFFILIATE.

V. STANDARD CONTRACT TERMS AND CONDITIONS

- A. **Condition Terms** – Defined material “parts” condition terms:
- Factory New (FN):** Parts procured from the manufacturer or one of the manufacturer's authorized distributors. Usually, these parts are either in the process of being made or are made at the time of Simtech's PO on the manufacturer or distributor.
- New Equipment (NE):** The part is manufactured by (A) the prime manufacturer or (B) a license of the prime manufacturer, or (C) an approved manufacturer following the prime manufacturers or U.S. Government blueprints specifications.
- New FAA-PMA Certified:** Parts procured from a manufacturer or distributor who has been certified to manufacture a part which meets the requirements/specifications of an original part by the U.S. Federal Aviation Administration.
- Overhauled (OH):** Part was overhauled according to the applicable TO to meet specifications of a new part: overhauler's Certificate of Conformance or FAA Form 8130-3, Air Worthiness Certificate
- Repair (RP):** Repairable: Repair schemes were in accordance with those specified on Customer purchase order and/or repair manuals or Technical Orders as applicable.
- Serviceable (SV):** Part is in serviceable condition and conforms to the attached service record.
- As Removed (AR):** Item referenced is in "as removed" condition: no manufacturers certificate of conformance.
- Scrapped (SC):** item referenced is scrap or "beyond economical repair".

New Unused Surplus (NS): There is no manufacturer's Certificate of Conformance present. No test reports are able to be found. These parts may or may not be in the original manufacturer's packaging. Date codes may or may not be present. Basically, these parts are in "as is" condition. Simtech provides as much information at time of quote as to original packaging, date codes or trace to information.

Factory New to Blueprint Specification (FNBS): No currently approved manufacturer. Although rarely use, the customer is sent a quote to blueprint specifications.

- B. **Title** - Title to and risk of loss of all Products shall pass to Buyer upon delivery.
- C. **Excusable Delays** - Buyer acknowledges that the delivery dates are based on the assumption that there will be no delay due to causes beyond the reasonable control of Seller. Seller shall not be charged with any liability for delay or non-delivery when due to delays of common carriers, suppliers, acts of God, terrorists or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather, or any other cause beyond the reasonable control of Seller. The provisions of this clause shall also apply in the event that Buyer is not in 'good credit standing' with Seller as measured by outstanding unpaid invoices and other items that may constitute breach of contract by Buyer.
- C. **Liability Limitation** - With respect to any Product purchased under this Order and alleged to be the direct or indirect cause of any loss or damage to Buyer, the sum equal to the invoiced price of such Product (or if not separately priced, Seller's established selling price for such item) shall be the ceiling limit on Seller's or any of Seller's affiliate's liability, whether founded in contract or tort (including negligence, strict tort liability or breach of warranty), arising out of or resulting from (i) this Order or the performance or breach thereof or (ii) the design, manufacture, delivery, sale, repair, replacement, use or furnishing of any such Product. In no event shall Seller or any of its affiliates have any liability for any indirect, incidental, consequential or special damages.
- D. **Export Licenses** - Buyer will, on Seller's request, assist Seller in Seller's efforts to obtain any United States Government export license or similar authorization which may be required now or hereafter for export of the Products. Seller and Buyer specifically acknowledge that this Order is conditioned upon the ability of Seller and Buyer to conform to the laws and regulations of the U. S. Government and its various cognizant departments regarding the sale of the Products to Buyer. Buyer also agrees that this Order is conditioned on Buyer's agreement to not re-transfer, re-export or divert any Products if such re-transfer, re-export or diversion would be a violation of any U.S. export or sanctions laws. Any technical data or defense service exported from the United States in furtherance of this Order, and any defense article which may be produced or manufactured from such technical data or defense service, may not be

transferred to a person in a third country or to a national of a third country except as specifically authorized in this Order unless the prior written approval of the U.S. Department of State or Department of Commerce has been obtained. This obligation will remain binding on the Buyer after the termination of this Order.

- E. **Import Licenses** - With respect to any import laws and other regulations of the country of destination and its various cognizant departments regarding the import of the Products hereunder, Buyer shall be solely responsible for obtaining and complying with any and all import licenses or other authorizations which may be required for importing the Products.

- F. **Modifications Prior to Delivery** - Seller shall have the right to incorporate, at any time and without Buyer's consent, changes in any Product to be furnished to Buyer hereunder where such changes are meant to improve the manufacturing or maintenance conditions of the Product; provided such changes do not materially prejudice the performance of the Product or the delivery schedule therefore. Seller shall also have the right, at any time and without Buyer's consent, to incorporate such changes in any Product as are specified by the U. S. Government for this type of Product.

- G. **Notices** - All notices or communications of any kind under and with respect to this Order and the Products shall be in the English language. All legal notices required hereunder shall be given by hand delivery or registered mail. The effective date of each such notice shall be the date upon which it is received.

- H. **Construction/Jurisdiction/Disputes** – This Order shall be interpreted in accordance with the plain English meaning of its terms, and the construction thereof shall be governed by the laws of the State of Connecticut, U.S.A., without regard to its conflict of laws principles. For all domestic sales: The exclusive forum for any disputes, claims, differences, actions or lawsuits arising out of or under this Order will be the state or federal courts of Connecticut. The parties agree to submit to the jurisdiction of the state and federal courts of Connecticut with respect to any such dispute, claim, difference, action or lawsuit. For international sales: All disputes, claims and differences between the parties arising out of or under this Order shall be settled and finally determined by arbitration in accordance with the applicable rules of the International Chamber of Commerce (“ICC”). All decisions shall be in accordance with the substantive laws of the State of Connecticut, without regard to its conflict of laws principles, and the arbitration shall be conducted in the State of Connecticut. The arbitration court shall be composed of three (3) arbitrators, one of whom will be named by each party. The third arbitrator, who shall act as chairman, shall be determined in accordance with the rules of the ICC. The arbitrators shall meet and decide at a place determined by them by majority vote. The arbitrators shall decide each issue presented to them by a majority vote, and their decisions shall be in writing and shall be final and conclusive. The amount of the costs of

any such arbitration and by whom they shall be paid will be determined as part of the arbitration. This Order shall be enforceable and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction.

- I. **Assignment/Merger** - This Order shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, but it may not be voluntarily assigned, wholly or in part, by either party hereto. However, Seller may assign this Order to an affiliate of Seller without Buyer's prior consent. The terms and conditions herein contained constitute the entire agreement between the parties hereto and shall supersede all previous communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, and no agreement or understanding varying or extending the same will be binding upon either party hereto unless in writing, signed by a duly authorized officer or representative thereof. If any term of this Order is determined to be invalid or unenforceable under applicable law, such term shall not apply; but the remaining terms of this Order shall remain in full force and effect.
- J. **Waiver** – Any failure by either party to exercise any right granted by the terms and conditions of this Order shall not be construed as a waiver of such right or any other rights under this Order, and shall in no way affect the subsequent exercise of such right or of any other rights under this Order by such party.

VI. **ADDITIONAL PROVISIONS RELATED TO OVERHAUL AND/OR REPAIR SERVICES**

- A. **Scrap Materials** - Goods and parts thereof received from Buyer which, in the opinion of Seller, have no value other than as scrap will be disposed of by Seller and no accounting or liability therefore will be imposed on Seller by Buyer. However, Seller agrees to comply with instructions set forth on the face of Buyer's Order providing for immediate disposition of any such scrap at Buyer's expense.
- B. **Shipment** - Buyer shall ship such item to be overhauled or repaired to Seller's designated facility within sixty (60) days of Seller's receipt of Buyer's Order, if not already in the possession of Seller. When shipping an item to Seller from a location outside the United States, Buyer shall (i) provide Seller a pre-alert of such shipment, via an email sent to licensing@simtech-inc.com, which shall include the end user and end use of the item; (ii) utilize Seller's recommended freight forwarders and carriers; (iii) make reasonable efforts to utilize New York, NY as the airport of destination for import clearance; (iv) utilize only Seller-designated import brokers and turn over all necessary paperwork to such brokers for clearance; and (v) include a commercial invoice that contains all required elements for United States Customs clearance (including, but not limited to, part number, country of origin, and foreign shipper's declaration).

THESE TERMS AND CONDITIONS CONSTITUTE THE STANDARD TERMS AND CONDITIONS OF SALE FOR SIMTECH, INC., AND ARE INCORPORATED IN THEIR UNMODIFIED ENTIRETY BY REFERENCE INTO ALL SALES MADE BY SIMTECH UNLESS OTHERWISE SPECIFIED. ANY MODIFICATION OF THESE TERMS AND CONDITIONS SHALL REQUIRE THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF EACH PARTY