

1. Acceptance of Terms and Conditions

The Parts referenced are being shipped subject to BUYER's agreement that only these Standard Terms and Conditions shall govern the transaction. Your acceptance of these Parts or other performance hereunder will constitute such agreement.

2. Limited Warranty for Sale of Parts

- A. **Coverage and Warranty Period:** PRIME INDUSTRIES INC hereby warrants that the Parts sold hereunder will be free of any defects in material or workmanship in accordance with the following warranty schedule based on the condition code of the parts stated on the face (Packing Slip or Invoice) thereof; and that it will have good title to the parts it sells to the BUYER hereunder at the time of delivery. Part Condition, Definition and Warranty periods are defined as follows:

Factory New (FN)	New unit received from OEM or authorized distributor in original package.	No warranty except Original Equipment Manufacturer's (OEM) warranty will be assigned per the Assignment of Warranties.
New Surplus (NS)	New unit received from other than OEM or authorized distributor.	Thirty (30) days from date of shipment.
Overhauled (OH)	Unit certified airworthy by an agency or airline to a TSO of 00:00 or "overhauled".	Six (6) months from date of shipment or (1000) one thousand flight hours, whichever occurs first.
Serviceable (SV) Repaired (RP)	Unit certified airworthy by an authorized agency or airline.	Three (3) months from date of shipment or (500) five hundred flight hours, whichever occurs first.

As Removed (AR)	Unit is used not certified airworthy but can be economically repaired and/or overhauled.	No warranty other than the unit is repairable. A repair cap must be agreed upon at the time of the sale. If the unit exceeds the agreed cap, the customer shall have the right to return the unit for full credit. Any unit that is to be returned must have the approval of PRIME INDUSTRIES INC. Will allow up to 30 days from date of shipment for the customer to determine the reparability of the unit and PRIME INDUSTRIES INC will allow an additional 15 days to return the part. This return policy will become null and void after a total time of 45 days from the date of shipment. Any As Removed part sold at a price of \$250.00 or less is considered "AS IS".
AS IS (AI)	Condition and history unknown; has no airworthiness certification.	No warranty expressed or implied except as to title. This condition has no return provisions of any kind.

A.

Correction or Defects: If during the applicable warranty period, a defect in material or workmanship causes damage to a warranted part or renders it unserviceable, PRIME INDUSTRIES INC will contact the vendor from where the unit was purchased or serviced to be either replaced or repaired, at PRIME INDUSTRIES INC's option, any such damaged or unserviceable part to the condition it was in at the time the damage occurred.

B. **Determination of Coverage:** PRIME INDUSTRIES INC will use the manufacturer's or shop's report to determine if any defect in material or workmanship occurred within the coverage of this warranty based on accepted industry maintenance procedures and standards and original equipment manufacturer's warranty policies, as applicable.

C. **Condition:** PRIME INDUSTRIES INC's warranty obligations described herein are subject to the following conditions:

1. The warranted product has been used under normal operating conditions as established by the OEM and has not been subject to misuse, mishandling, negligence, accident, severe heat, or ingestion of foreign material.

2. The warranted product has not been altered or repaired or serviced since purchased by anyone other than PRIME INDUSTRIES INC or its authorized agent.
3. The warranted part has been maintained in accordance with an FAA-approved Airworthiness Maintenance Program and Maintenance Manual for equivalent government approved documentation for those BUYER's operating under foreign registry) and with any written instructions provided by PRIME INDUSTRIES INC and/or the original equipment manufacturer.
4. BUYER, within the applicable warranty period or within 10 days of discovery of a malfunction, whichever is earlier notifies PRIME INDUSTRIES INC of its claim and the basis for such claim.
5. The defective part is shipped within 10 days of the applicable warranty period to PRIME INDUSTRIES INC's Peachtree City, Georgia facility, or to such other location as PRIME INDUSTRIES INC may designate in writing to BUYER within 5 days of receiving notice of the warranty claim.
6. All transportation costs and risk of loss of warranted parts shipped for correction of defects to and from the facility designated by PRIME INDUSTRIES INC are borne by BUYER.
7. All documentation originally furnished to BUYER with the part accompanies the return of the part for warranty consideration.

D. DISCLAIMER: THE WARRANTIES SET FORTH IN THIS LIMITED WARRANTY PROVISION AND THE OBLIGATIONS AND LIABILITIES OF PRIME INDUSTRIES INC THEREUNDER, ARE EXPRESSLY IN LIEU OF, AND BUYER HEREBY WAIVES AND RELEASES PRIME INDUSTRIES INC FROM, ANY AND ALL OTHER WARRANTIES, AGREEMENTS, GUARANTEES, CONDITIONS, DUTIES, OBLIGATIONS, REMEDIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE, WITH RESPECT TO PRIME INDUSTRIES INC'S PERFORMANCE HEREUNDER AND BUYER AGREES THAT PRIME INDUSTRIES INC WILL NOT BE LIABLE FOR ANY DAMAGE OR LOSS (INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGES) SUFFERED BY BUYER, DIRECTLY OR INDIRECTLY, WHETHER IN TORT OR CONTRACT, BECAUSE OF ANY DEFECT IN MATERIAL OR WORKMANSHIP WARRANTED HEREUNDER. NO AGREEMENT OR UNDERSTANDING VARYING, ALTERING OR EXTENDING PRIME INDUSTRIES INC'S LIABILITY HEREUNDER WILL BE BINDING ON

PRIME INDUSTRIES INC UNLESS IN WRITING SIGNED BY A DULY AUTHORIZED OFFICER OR REPRESENTATIVE OF PRIME INDUSTRIES INC.

- E. **Assignment or Warranties:** PRIME INDUSTRIES INC hereby assigns to BUYER, effective upon payment in full for the part, any and all existing manufacturers and overhaul agency warranties for the part which run to PRIME INDUSTRIES INC, to the extent assignable. Upon request, PRIME INDUSTRIES INC will cooperate with BUYER in processing claims arising under such assigned warranties in PRIME INDUSTRIES INC's name or that of BUYER as appropriate, provided always that BUYER will indemnify PRIME INDUSTRIES INC for any costs and expenses incurred by PRIME INDUSTRIES INC in connection with such assistance. With respect to such assignments, it is understood that except as provided in this Paragraph "F", PRIME INDUSTRIES INC shall have no further liability to BUYER.
- F. **Warranty Repairs:** Warranty Repairs hereunder may be performed by BUYER upon BUYER's request and consent thereto by PRIME INDUSTRIES INC In writing given prior to commencement of any such repairs. PRIME INDUSTRIES INC will reimburse BUYER for the actual reasonable costs for any such repairs consented to by PRIME INDUSTRIES INC in writing.
- G. **Non-Covered Items:** IF PRIME INDUSTRIES INC determines that the Part is not covered by the warranty, BUYER will pay PRIME INDUSTRIES INC for the work performed and materials furnished in connection with teardown, Investigation, reassembly, and any authorized repair or maintenance services performed, in accordance with PRIME INDUSTRIES INC's then current charges.
- H. **LIMITATION OF LIABILITY:** IN NO EVENT WILL PRIME INDUSTRIES INC'S LIABILITY UNDER THIS WARRANTY EXCEED THE PURCHASE PRICE ACTUALLY PAID FOR THE PART.
- I. **Indemnification:** BUYER hereby releases and agrees to defend, indemnify and hold PRIME INDUSTRIES INC; its directors, officers, employees and agents harmless and against any and all liabilities, claims, demands, suits. damages and losses (including, without limitation all attorney's fees costs and expenses in connection therewith or incident thereto) for deaths of or injuries to any persons whomsoever (including, without limitation BUYER's employees) and for loss of, therewith or incident thereto) and for loss of, damage to destruction of, or delay in the delivery of any property whatsoever (including, without limitation, aircraft of BUYER) in any manner arising out of or in connection with the Parts

subsequent to their delivery by PRIME INDUSTRIES INC hereunder regardless of the negligence, active or passive, of PRIME INDUSTRIES INC its directors, officers, employees or agents. BUYER will, at the request of PRIME INDUSTRIES INC negotiate any claim or defend any action or suit brought against PRIME INDUSTRIES INC or in which PRIME INDUSTRIES INC is joined as a party defendant based upon any matters for which BUYER has released and indemnified PRIME INDUSTRIES INC hereunder.

- J. **CONSEQUENTIAL DAMAGES:** IN NO EVENT WILL PRIME INDUSTRIES INC BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOST REVENUES, LOST PROFIT, OR LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, RESULTING DIRECTLY OR INDIRECTLY FROM THIS TRANSACTION OR THE USE OF THE PARTS OR ANY INABILITY TO USE SUCH EITHER SEPARATELY OR IN CONJUNCTION WITH OTHER PARTS OR EQUIPMENT.

3. Payment

Payment shall be made in U.S. Dollars and the payment terms shall be Net Thirty (30) Days, unless otherwise specified, without right of set-off.

4. Taxes

BUYER will pay and agrees to indemnify, defend and hold PRIME INDUSTRIES INC harmless from any taxes, including but not limited to sales taxes, (except for a tax upon or measured by PRIME INDUSTRIES INC's net income) imposed by any taxing authority as a result of performance hereunder.

5. Delivery and Title

Unless otherwise agreed, delivery shall be made F.O.B. shipping point (PRIME INDUSTRIES INC's warehouse or other location) and according to the delivery schedule specified herein. Title and risk of loss of each part will pass to buyer upon delivery. Such delivery schedule is approximate only and subject to delays due to causes beyond PRIME INDUSTRIES INC's control or force majeure, including, but not limited to, acts of God or the public enemy. acts or omissions of the Government, civil war, war or warlike operations, insurrections or riots, restrictions, strikes or other labor disputes, or freight embargoes, Inability to secure or failure of suppliers to deliver parts or materials, floods, explosions, fires, earthquakes, failure of transportation, acts or omission of buyer or for any other cause beyond PRIME INDUSTRIES INC's control. In the event of such delay, the delivery dates shall be extended accordingly for a period equal to the time lost by reason of such delay. In no event shall PRIME INDUSTRIES INC be liable for any special incidental or consequential damages.

6. Inspection and Acceptance

Buyer will accept each Part upon Delivery in accordance with the provisions hereof, subject only to rejection of any non-conforming Part by notice in writing given within ten (10) days after Delivery. A Part will be deemed non-conforming only if it is functionally defective or does not conform to the relevant condition code in Section 2. Buyer will promptly return to PRIME INDUSTRIES INC, or otherwise dispose of any non-conforming part pursuant to PRIME INDUSTRIES INC's written instructions and at PRIME INDUSTRIES INC's expense, which will be given within thirty (30) days of PRIME INDUSTRIES INC's receipt of Buyer's written notice of rejection for nonconformance. If PRIME INDUSTRIES INC fails to furnish Buyer with such instructions, Buyer will return any non-conforming Part to PRIME INDUSTRIES INC at PRIME INDUSTRIES INC's expense in accordance with commercially reasonable practices, subject to confirmation of the non-conforming status by PRIME INDUSTRIES INC. PRIME INDUSTRIES INC will, within a reasonable period of time after notice of rejection and non-conforming status, ship conforming Parts to replace any non-conforming Parts unless Buyer cancels its Order with respect to such non-conforming Parts, in which case a full credit will be given Buyer of any payments made to PRIME INDUSTRIES INC for the non-conforming Part cancelled. If a Part is nonconforming and Buyer fails to return it to PRIME INDUSTRIES INC or notify PRIME INDUSTRIES INC of the non-conformance within said ten (10) day period, then it will be conclusively deemed for all purposes that the Part conforms in all respects.

7. EXCHANGE ORDER AGREEMENT

- A. **STANDARD EXCHANGE POLICY:** Standard exchange prices are applicable only for cores that are complete and are accompanied with complete records, not damaged, time expired, and with normal wear and tear. The "Standard Exchange" core charge is determined at the time of quotation. It will be subject to Bill Back as described below.
- B. **BILLING:** The Buyer will be charged an exchange price as quoted by Prime Industries for each exchange transaction. The Buyer will also be advised of and billed a core charge. This core charge will represent the amount that the Buyer will owe above and beyond the exchange price if a core is not returned or the returned core is unacceptable. The core charge will be credited to the Buyer's account upon receipt and acceptance of the core. The exchange price is based on a standard exchange rate, additional billing may apply. This policy is based on the return of a repairable core of the same model and same part number as the unit supplied by Prime Industries. Cores returned that are found to be Beyond Economical Repair (BER) will be subject to invoice at full outright price
- C. **ELIGIBLE CORES:** Unless otherwise notified in advance or stated on the invoice, only cores that are of equal value and state of condition, modification standard and completeness with all historical records and

maintenance documents as required shall be considered for and/or accepted from the Buyer to complete the Exchange transaction.

- D. **ELIGIBLE CONDITION OF CORE:** Only cores with normal wear and tear will be considered and/or accepted on Exchange. Other conditions may be considered and acceptable however only expressly accepted in writing from Prime Industries and additional charges (Bill Backs) shall apply. It is NOT normal wear and tear for any core that has been damaged by, for example, but not limited to: FOD (foreign object damage), corrosion, erosion, over temp, over torque, over speed, main rotor and/or tail rotor strike, accident and/or incident, mistreatment, improperly maintained (i.e. with regard to airworthiness requirements, improperly stored, dropped, mishandled, damaged in shipping) or any other abnormality which is evident or discovered later during the repair or inspection. Furthermore, Prime Industries will not accept cores that have been heavily modified or extensively and unproductively worked on, cores with missing, modified or illegible data plates, cores that arrive disassembled.
- E. **TIME OF INSPECTION:** Prime Industries reserves the right to inspect those Cores received from the Buyer at any time and shall also reserve the right to send a Bill Billing Invoice whenever Prime Industries determines appropriate in the circumstances, following inspection and finding of any condition which warrants such occurrence in accordance with these terms and conditions. The Buyer shall be liable for that Bill Back Invoice which shall immediately be payable upon receipt of invoice from Prime Industries.
- F. **REVIEW OF TECHNICAL DOCUMENTATION FROM CUSTOMER “TIME IN SERVICE” CALCULATIONS:** Upon receipt of The Buyer’s core, the technical documentation will be reviewed as part of the acceptance inspection. The Buyer shall be responsible upon final review of technical documents for any errors. A Bill Back Invoice shall be sent to the Buyer when the core or any subcomponent of the core shall have less time or cycles remaining in service than what was originally represented to Prime Industries by the Buyer upon acceptance of Purchase Order from the Buyer.
- G. **ADDITIONAL BILLING FOR “SERVICE LIFE LIMITED” COMPONENTS:** When applicable, and unless otherwise notified in writing, when any service life limited cores or any service life limited subcomponent or part of any core is uneconomical to repair, un-repairable and/or deemed scrap, the final invoice amount for that core or subassembly part shall be equal to the replacement value for that core or part subject to manufacturer’s list price,

prorated and multiplied times the remaining time and/or cycles remaining that the Core or part had remaining at the time of inspection.

H. ADDITIONAL BILLING FOR CORES WITHOUT SERVICE LIFE LIMIT:

When applicable, unless otherwise notified in writing prior to the sale of goods, when any component or part of any core without a service life limit is deemed un-repairable or scrap, the final invoice amount for those cores or parts shall be equal to the actual cost of replacement and/or a certain percentage of manufacturers list price which shall be determined by Prime Industries.

I. EXCHANGE CORES SHIPMENT TO PRIME INDUSTRIES / 15 DAY

RETURN PERIOD / DOCUMENTS / PENALTY: the Buyer shall return all cores to Prime Industries at 406 Dividend Drive, Peachtree City GA 30269 USA. Any and all costs and fees for the return of the cores shall be the responsibility of the Buyer and shall be returned to Prime Industries under Incoterms DDP (Delivered Duty Paid). The Buyer shall include technical documents (including log book, accessory log cards, traceability documents, or any other applicable and/or required documents) with the core. Buyer exchange cores are to be returned to Prime Industries within 15 days. Units not returned within 15 days may, at the discretion of Prime Industries, be subject to an additional charge of 2% of the outright sale price per day. If no core is returned after 30 days, it will be assumed that no core will be sent and the core charge will be expected to be paid. If the Buyer chooses to return a core after 15 days, the core acceptance is subject to approval by Prime Industries. Original exchange units returned for credit after seven days may, at the discretion of Prime Industries, be subject to a restocking fee of 35% of the exchange price or \$175.00 (whichever is greater). In addition to the restocking fee, the cost to recertify the returned unit may also be assessed if the original certification is not returned.

J. TITLE AND OWNERSHIP OF THE "CORE": The Buyer warrants that it has marketable title to and transfers to Prime Industries the Exchange Core free and clear of all claims and liens. The Buyer agrees to obtain and provide to Prime Industries all releases from any creditor which may claim a title or security interest in the Exchange core.

8. CANCELLATION FEE All confirmed sales orders are subject to a 25% cancellation fee if order is in process with a vendor or repair facility prior to written cancellation of order being received from customer.

9. Entire Contract

The express terms and conditions contained on the face and those set forth on any continuation sheets, contain the entire understanding of the parties with respect to the sale of the parts. Any terms and conditions proposed in BUYER's purchase order which

add to, vary from or conflict with the terms and conditions herein are hereby expressly objected to, any may become effective only if accepted by PRIME INDUSTRIES INC In writing.

10. Governing Law

This Agreement shall be construed and governed according to the law of the State of Georgia. If the BUYER is from a country, which has ratified the 1980 U.N. Convention on Contracts for the International Sale of Goods, the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the laws of the State of Georgia.

11. Modification

No modification of these terms and conditions shall be binding upon the parties hereto unless in writing signed by both parties hereto.

WARRANTY NOTICE: ALL RETURNS MUST HAVE A RETURN MATERIAL AUTHORIZATION (RMA) NUMBER IN ORDER FOR PRIME INDUSTRIES INC TO ISSUE A CREDIT OR REPLACEMENT. PLEASE WRITE THE RMA NUMBER ON EACH CARTON IN ORDER TO EXPEDITE THE PROCESSING OF YOUR WARRANTY CLAIM. TO OBTAIN AN RMA NUMBER CONTACT YOUR SALES OR CUSTOMER SERVICE REPRESENTATIVE.