



Customer Terms and Conditions

Reference Document Only

1.Terms and Conditions. Unless otherwise set forth in a written agreement between the parties hereto(each a "party" and collectively the "parties"), no terms and conditions, other than the terms and conditions set forth in this Invoice Terms and Conditions of Sale (including any terms and conditions included on any document attached to or incorporated by reference to each invoice (collectively the "Terms of Sale") provided by Texas Aerospace Technologies, LLC. (the "Seller"), shall be binding on the "Seller and the customer (the "Buyer"). These terms constitute an offer by the Seller to sell the Products in accordance with the terms and conditions contained herein. Therefore, acceptance by the Seller of any order placed by a Buyer (e.g., a "Sales Order") for goods and services; including but not limited to, Texas Aerospace Technologies Spare Parts, Repair and Overhaul Services, Ground Support Equipment, and Technical Field Support (collectively the "Products"), is expressly made conditional upon the Buyer's agreement to the Seller's terms and conditions contained herein. Terms and conditions contained in any purchase order or any other documents of the Buyer which differ from or are in addition to the terms and conditions of the Terms of Sale shall not be binding on the Seller, whether or not they would materially alter the terms of this Invoice and Seller hereby objects to all of these terms. Notwithstanding anything herein to the contrary, if a written contract is signed by both parties covering the sale of the Products in a Sales Order, the terms and conditions of said contract shall govern. Buyer will be deemed to have assented to all terms and conditions herein if any of the Products shipped under the Seller's invoice are accepted, unless Buyer thereafter promptly objects thereto in writing. If for any Sales Order of Products, a Buyer requires additional assurances of the Seller's performance or should any other terms and conditions, including those set forth in the Buyer's purchase order or other ordering documentation, be requested, the Seller will review such request(s) on a case by case basis, and any additional terms approved in writing by an authorized signatory of Seller shall apply.

2.Condition. All orders of Products are sourced from an OEM or authorized distributor unless otherwise communicated by the Seller. At or before the time of delivery Texas Aerospace Technologies, LLC. will notify each Buyer if any Products delivered contain the following condition codes:

New	A new Product procured from an OEM or a Seller authorized distributor or reseller
OH Overhauled Certified	as overhauled SV Serviceable or Repaired Certified for return to service after repair and/or testing.
Certified	means a maintenance release tag from a FAA certificated repair facility is attached to the unit.

Unless a Buyer has informed the Seller of a repair, overhaul, or installation that requires other than new Products, the Seller upon acceptance of an order and the Buyer satisfying any of the Seller's requirements prior to the delivery of Products, will deliver new Product(s).

3.Limited Warranty. Seller hereby assigns to the Buyer, to the extent it may do so, any available warranty its Supplier. A copy of the Seller's supplier or manufacturer's warranty, if available, will either be delivered to the Buyer by the Seller or made available to the Buyer upon its request. SELLER'S LIABILITY UNDER WARRANTY FOR PRODUCTS, EXCLUDING SERVICE, IS LIMITED TO THE REPAIR AND REPLACEMENT OF THE PRODUCT SOLD TO BUYER THAT IS SHOWN TO THE SELLER'S REASONABLE SATISFACTION TO HAVE BEEN NON-CONFORMING. THERE IS NO WARRANTY EXPRESSED, STATUTORILY, IMPLIED, OR

OTHERWISE, AND NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, SATISFACTORY QUALITY AND NON-INFRINGEMENT AND THEIR EQUIVALENTS WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE). IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF BUYER'S REMEDIES UNDER THESE TERMS FAIL OF THEIR ESSENTIAL PURPOSE.

The Seller shall not be liable under this warranty in any of the following events, namely: a) Whenever any Products have not been operated, stored or maintained in accordance with the manufacturer's and the Seller's instructions; b) Whenever any Products have been handled, stored, repaired, or altered in any way, which may have impaired its safety, operation or efficiency; and c) Whenever any Products and/or component have been subjected to any abnormal condition, misuse, or neglect.

If the Seller determines that the item returned for warranty service is non-conforming, the Buyer shall pay all costs, handling, and transportation.

4.No Diversion. If the Products are being exported, they are licensed by the United States of America ("U.S.") for the ultimate destination shipped to, as set forth on the Seller's invoice. Diversion contrary to U.S. law is prohibited. Buyer represents and agrees that it will not sell or reship Products to any customer and/or destination which the Seller could not have shipped to directly under its export license for such Products. No Product may be shipped or transferred to any country that has an embargo placed on it by the U.S. Buyer will comply with all applicable export and import control laws and regulations, including without limitation, the United States Export Administration Regulation (EAR), U.S. Arms Export Control Act, and the U.S. Export Administration Act, and the United States International Traffic in Arms Regulations (ITAR), and will retain documentation evidencing such compliance.

5.Payments. All payments shall be made in U.S. currency and due on the payment date set forth in the Seller's invoice. The Seller price shall be its then-current prices, unless the Seller has agreed in writing with the Buyer otherwise. Buyer may not set off any sum due Seller under this order from sums, whether or not liquidated, that are or may be owed by the Seller to the Buyer. The last Product or repair pricing communicated by the Seller for the applicable Product(s) in the accepted Sales Order(s) shall apply. If the purchase price or any Product included in an accepted Sales Order is not paid by Buyer when due, Buyer shall pay interest at the lesser of 18% per annum or the maximum legal rate, if any, on all sums due from the date due. If collection, lien foreclosure, and/or legal action (including for the registration and enforcement of a lien or pledge) is pursued by the Seller on any past due amounts, including for Products, or any services, the Buyer agrees to pay all costs and fees, including reasonable attorney fees, in collection, foreclosure, and litigation, including any appeals, if action is filed thereon. As collateral security for the full payment of the Products and performance in full of all the obligations of the Buyer under the Terms of Sale, the Buyer hereby pledges and grants to the Seller, a lien, pledge, and security interest in and to all of the right, title, and interest of the Buyer in, to, and under the Products and any item(s) repaired, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing in the amount of the Seller's invoices for such items, plus any applicable late payment interest.

6.Cancellation/Returned Products. All sales of the Products ordered by the Buyer from the Seller are final. If the Sales Order or any part of it shall become impossible to perform, or returned by prior approval, Seller shall be entitled to be compensated for a fair and

reasonable proportion of the Product price in respect of the work done up to the date thereof. Seller may recoup such amount from any pre-payments made by the Buyer. Such charge may include a restocking charge and/or a cancellation fee. All cancellations must be submitted to Seller in writing.

7. Acceptance. Products are presumed accepted by Buyer unless the Seller receives written notice of rejection from Buyer explaining the basis for rejection within 15 calendar days after delivery and the basis of rejection is that the Products nonconformance (e.g. the Products are non-conforming and such non-conformance is covered under the Seller's Product warranty or the Products are delivered in excess of the quantities Buyer ordered). After receipt of an approved Return Material Authorization # from the Seller, Buyer shall return any rejected Products with freight pre-paid in accordance with the Seller's written instructions. The Seller, at its option, will have a reasonable opportunity to repair or replace rejected Product(s). The Seller assumes shipping costs in an amount not to exceed actual reasonable direct freight charges to the Seller's designated facility to return properly rejected Products. Buyer will provide copies of freight invoices to the Seller upon request. Buyer retains the risk of loss for returned Products until their delivery to the Seller's designated RMA return location.

8. Indemnification. Buyer shall indemnify and hold Seller harmless against any and all losses, liabilities, damages, costs, or expenses of any kind arising from any and all claims which may be made against Seller by reason of injury or death which are caused by or alleged to have been caused by the use, sale, transfer, or alteration of the "Products", or relating to the design of the Products (including its packages or containers) if they are made in compliance with Buyer's design or specifications. Buyer shall also indemnify and hold Seller harmless from any and all damages or losses to Seller's property which are caused by any act of omission, negligence or otherwise, of Buyer or any subcontractor of Buyer, or of any of Buyer's employees or agents. These Terms of Sale benefits solely the Buyer and Seller and any mutually agreed to in writing successors and assigns and nothing in these terms express or implied, confers on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these terms.

9. Legal Matters. This invoice shall be governed by the laws of Texas, U.S. The Uniform Law on International Sale of Goods (ULIS) and The Uniform Law on the Formation of Contracts for the International Sale of Goods (ULFIS) shall not apply. Seller may, but is not obligated to, bring an action relating to or arising out of the transaction to which this Invoice applies in the appropriate state or federal court in Texas and Buyer hereby irrevocably consents and submits to the exclusive personal jurisdiction and venue in any such court. Any action or claim by Buyer with respect thereto shall only be brought in an appropriate state or federal court in Dallas County, Texas, U.S. There shall be no right or authority for any claims to be arbitrated or litigated on a class action or consolidated basis ,, or other persons similarly situated. Unless Buyer has advised the Seller otherwise, the Buyer consents to receive notice at either the Buyer's headquarters location or the accepted purchase order bill to address. All notices to the Seller concerning these terms shall be sent to the Seller's then-current facility address. The parties irrevocably agree that the procedure for service of process described in this Section shall replace and supersede any other procedure for service of process abroad that otherwise would have applied by applicable law or treaty. No liability shall result from delay in performance caused by force majeure affecting Seller and/or its suppliers.

10. Taxes. Unless otherwise specifically designated on the Seller's invoice, the prices quoted herein do not include sums necessary to cover the taxes or duties, including but not limited to federal, state or municipal, excise, sale, use taxes or import duties, which taxes or duties

shall be paid by Buyer and separately listed as line item(s) on the Product invoice, unless Buyer furnishes Seller evidence sufficient to sustain a tax exemption.

11.Shipping. All Products are shipped F.C.A. Seller's dock (Incoterms, 2010) unless otherwise specified on the Seller's invoice. Unless shipping instructions accompanied the order for the parts, shipment will be routed at Seller's discretion. Whenever the Seller has shipped parts pursuant to an accepted purchase order, and the Buyer rejects delivery of such Products, the Seller shall be able to store these Products at the Buyer's cost, until the earlier of (i) any mutually agreed re-delivery date(s), or (ii) six (6) months has past and the Buyer has not provided to the Seller any alternate shipping destination or arranged for pickup, in which instances, the Buyer agrees that the Seller may dispose of or resale these Products. Unless otherwise agreed to by the Seller, the resale of the Products by the Seller shall not relieve the Buyer's payment obligations for the ordered Products hereunder. Each shipment will constitute a separate sale, and Buyer shall pay for the Products shipped whether such shipment is in whole or partial fulfillment of a Sales Order.

12.Exchange. If this is an exchange transaction then in addition to the cash purchase price, Buyer agrees to deliver an economically repairable (i.e. a maintenance release tag of a FAA certificated repair facility, certifying that it is airworthy and conforms to the current applicable revision levels, can be obtained after routine repairs and/or overhaul at a FAA certificated repair facility) equivalent unit (Core Unit) in accordance with the terms set forth in these Terms of Sale. Time is of the essence on this contract and the Core Unit must be delivered to Seller by the stated date or the additional charge for the Core Unit set forth on the Invoice will be immediately due and payable. Inspection or failure by Seller to inspect or reject a Core Unit shall not relieve Buyer of its warranties or responsibilities hereunder. By delivering a Core Unit, Buyer represents that the Core Unit has not been subjected to extreme stress or heat (as in major engine failure, accident or fire).

13. Shortages and Returns. Claims for shortages must be reported to Seller within ten (10) days of receipt. No Products will be received or credited if returned without prior approval. All returns are subject to a restock fee plus shipping costs. Charges will not apply to Products shipped in error.

14.Part Equivalency. If the part number shipped is different from the part number ordered, the part number shipped is either an equivalent or superseding part number, as so indicated on the Seller's invoice, and is based on the part manufacturer's cross-reference documents for equivalent or superseding parts for the specifications for parts standards issued by the applicable standards governing body. Part equivalency is sometimes dependent on the specific application, accordingly determination of the appropriate application of equivalent or superseding parts is the Buyer's responsibility. Seller has not tested any parts or makes any representations or warranties concerning their equivalency.

15.Proprietary Rights. Buyer recognizes that the publications, support, and other information delivered hereunder constitute or incorporate information which is proprietary to Seller, its affiliates, its licensors, and suppliers. All rights not expressly granted by Seller hereunder are reserved, including without limitation, all rights in U.S. or foreign patents. Buyer shall not remove or obstruct any copyright notices or other proprietary notices present on any Seller Proprietary Information. All software of the Seller or its licensors provided with the Product shall be subject to the Seller and/or its licensors standard software license terms, which shall govern all use of such software. The Buyer shall be deemed to accept the Licensed Software upon delivery; provided however, any applicable warranties set forth in the Sales Order shall apply for the duration of the applicable warranty period. The Seller or its licensor's may provide the Buyer with maintenance and support in connection with Buyer's authorized use of any software procured in an applicable Sales Order ("Licensed Software"). The Seller

hereby grants to the Buyer a non-exclusive, non-sublicensable and non-transferable, limited license to use the licensed software and documentation solely for uses permitted by the Seller and any of its licensor(s) during the authorized term of the applicable Licensed Software. Such maintenance and support shall be purchased separately from the Licensed Software and is optional. If the Buyer opts to purchase maintenance and support from the Seller, a separate Software and Maintenance Agreement will be entered into by the parties. Seller may subcontract any or all of its obligations to provide the Licensed Software and any maintenance or support for such software hereunder to one or more qualified parties without the Buyer's prior consent, unless otherwise restricted in the Sales Order for the Licensed Software or any other terms mutually agreed upon in writing by the parties.

16.Excusable Delay; Force Majeure. The seller will make every reasonable effort to ship ordered products in a timely manner. However, Seller will not be liable to Buyer for any failure to meet its obligations due to any cause beyond its reasonable control including, but not limited to, government embargoes or any other government acts that interfere with performance; blockades; seizure or freeze of assets; delays or refusals to grant an export license or the suspension or revocation thereof; fires, floods, severe weather conditions; any other acts of God, quarantines or regional medical crisis; labor strikes or lockouts; riots, strife, insurrection, civil disobedience, armed conflict, terrorism or war (declared or not) or impending threat of any of the foregoing, if reasonably expected to cause injury to people or property; and shortages or inability to obtain materials or components. The due date of any performance affected by such an event will be extended by the period of time that Seller is actually delayed.

17.Non-Waiver. Seller's failure to insist upon the strict performance of any term or condition herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder, nor of its right to insist upon the strict performance of the same or any other term herein in the future. No waiver of any term or condition hereunder shall be valid unless in writing and signed by an authorized representative of the Seller.

18.Marketing. Unless the Buyer has expressly notified the Seller's Compliance Department in writing that it does not desire to receive marketing or advertisements from the Seller, the Seller and any of its personnel are authorized by the Buyer to market any of the products and/or services it sells. The Buyer agrees that the Seller may retain any information collected about the Buyer and any of its personnel that concerns any financial information of the Buyer and any information that is mentioned on the Seller's Privacy Policy, which terms are hereby incorporated by reference, and may use such information for the purposes set forth in the Privacy Policy. A Buyer may opt out of the Seller's retention of its information or any advertisements requests by contacting Texas Aerospace Technologies at e-mail address of info@txaero.com. Notwithstanding the foregoing, the Seller shall be permitted to retain any information or documents as required to comply with applicable laws and/or regulations.

19.Severability. If any provisions of these Terms of Sale are held by a court of competent jurisdiction or arbitrator to be illegal, invalid, or unenforceable, that provision shall be limited or eliminated to the minimum extent necessary so that the Terms of Sale shall otherwise remain in full force and effect and enforceable to the fullest extent permitted by law.