



Unless and to the extent that a separately negotiated contract executed between the Seller and Buyer is cited on the procuring party's purchase order, the following conditions of sale apply to any purchase order covering and products, systems of parts offered for sale by HB Aerospace Holdings LLC to the procuring party. Notwithstanding any other provision to the contrary, the following terms and conditions shall apply to any sale of product by HB AEROSPACE HOLDINGS, LLC (Seller), an Arizona LLC, having a place of business at 7665 East Velocity Way, Suite 101, Gilbert, AZ 85212. Any purchase order covering the sale of Seller product shall be governed by these Terms and Conditions of Sales and other written provisions mutually agreed upon, if any. Any oral understandings are expressly excluded. Seller shall not be deemed to have waived these Terms and Conditions of Sale if it fails to object to provisions appearing on, incorporated by reference in, or attached to Buyers purchase order form which provisions are hereby expressly rejected. Buyer silence or acceptance or use or product constitutes its acceptance of these Terms and Conditions of Sale. No Modification or addition of these terms and Conditions of Sale shall be effective unless agreed in writing and signed by an authorized representative of Seller. Buyer shall not be obligated to buy any product from Seller, and, Seller shall not be obligated to sell any product to Buyer. In the event Buyer orders product from Seller and Seller delivers product to Buyer, the Terms and Conditions contained in this document shall apply to all such sales and transactions.

1) PRICES

- a) All prices are Ex Works, Sellers facility (Incoterms, 2000). All prices are quoted in, and shall be payable in, United States Dollars and do not include any Seller non-standard testing, certification or inspection requirements or First Article Inspection (FAI) fees if required. Buyer agrees to arrange for and pay all expenses necessary to deliver the product purchased hereunder from Sellers facility.
- b) Buyers order is subject to Sellers minimum order requirements. Seller reserves the right to limit order quantities for certain product.
- c) Prices do not include any taxes on the purchase or sale for Product, including, but not limited to, federal, state, or municipal excise, sales, use or value added taxes or import duties, if any. Any such taxes and duties that may become due and owing shall be paid by Buyer, excluding taxes based upon Sellers gross income.

2) CUSTOMER PURCHASE ORDERS

- a) Suppliers reserves the right to reject any Buyer issued purchase order for any reason. Pricing of quoted items is subject to change without notice unless agreed to otherwise in writing by Supplier and Buyer. After acceptance of a Buyer purchase order, any changes shall be subject to Supplier consent and possible price adjustment or other conditions as Supplier may impose.
- b) Buyer orders which have been quoted as supplied in whole, based on outside purchases made by Supplier to specifically support Buyer are subject to Mon-Cancellation and No Return requirements, unless specifically agreed to in writing by Supplier. Other request for cancellation / return are subject to Supplier approval and may result in restocking fees up to 100% of the total Buyer purchase price for non-defective goods.

3) PAYMENT AND SETOFF

- a) Buyer shall pay Sellers invoices within thirty (30) days of the date of such invoices, subject to meeting Sellers credit requirements. Invoices shall not be dated earlier than the dates of shipment of Product to which the invoice applies. Seller will not pay for any Banking wire transfer fees, all bank transfer fees are at Buyer expense. Late payments will incur a late fee of \$100 and interest of 1 ½% per month.
- b) Buyer is prohibited from and shall not seek setoff for any amount, whether or not liquidated, against sums which Buyer asserts are due, its parent, subsidiaries, affiliates or other divisions or units under any transaction with Seller, its parent, subsidiaries, affiliates or other divisions or units, whether under this Agreement or otherwise.

4) SHIPMENT / DELIVERY AND ACCEPTANCE OF PRODUCTS

- a) Delivery shall be made within the time specified on Buyers order or within Sellers lead-time, whichever is later.
- b) Lead times and delivery dates do not include transportation time and are estimates only, unless otherwise specified. Notwithstanding and express provision on delivery times, a delay in delivery will not result in payment of damages, nor allow cancellation of the Agreement. The cost of transportation and risk of loss shall be borne by Buyer unless expressly agreed to in writing by Supplier.
- c) Unless expressly indicated otherwise by Buyer and agreed to by Seller, goods shall be transported by commercial carriers (e.g., FedEx, UPS, etc...) from Sellers place of business to Buyer's specified delivery location. Request by Buyer to expedite delivery of delayed goods, resulting in increased transportation charges, shall be borne by the Buyer.
- d) Buyer agrees to pay Seller all special handling and other costs related to expedite shipments.
- e) Buyer shall visually inspect and reject Product delivered pursuant to this Agreement within sixty (60) days of shipment from Seller. In the event the Product does not comply with the applicable manufacturer's drawings. Buyer shall notify Seller of such non-compliance or defect and give the Seller a reasonable opportunity to replace such Product or credit the Buyer for the purchase price. Buyer shall comply with Sellers return material authorization (RMA) policies.
- f) All product shipped to Buyer shall be suitably packed for shipment to prevent damage in transit in accordance with Seller's standard shipping practices.
- g) Seller reserves the right to replace Standard Parts / Product (as defined in the Code of federal Regulations (CFR), Title 14, Chapter I, Part 21, Subpart K, Section 21.303(b) (4)), conforming to established industry or U.S. specifications (i.e., AN, MS, NAS), with another Standard Part / Product, where the drawing or specification authorizes the use of another part i.e., superseded or replaced by). Such replacement Standard Part / Product supplied shall be priced in accordance with the part / product ordered by Buyer. Seller reserves the right to determine appropriate Standard Part / Product revision level, if revision is not expressly defined by Buyer on the face of the purchase order.

5) TERMINATION / ORDER CANCELLATION / CHANGES

- a) In the event Buyer fails to perform any of its obligations or fails to make payments in a timely manner as required by the terms of the Agreement and Buyer does not provide a guarantee of future payments to the satisfaction of Seller, undergoes a change of control of Buyer ownership and/ or is subject to bankruptcy or becomes insolvent, Seller may terminate any and all of its obligations under the purchase order and the Agreement.
- b) Buyer may not terminate this agreement unless agreed to in writing by Seller and for and such agreed cancellation, Buyer may be liable to pay Seller restocking or cancellation fee's up to 100% of the agreed Customer purchase price for the goods.
- c) Buyer may cancel a purchase order, in whole or in part, only in the event of a default by Seller that has not been corrected within ninety (90) days following Seller's receipt of Buyer's written notice stating the nature of Seller's default and the corrective action requested.
- d) Seller may specifically allocate / reserve / protect from sale product for Buyers exclusive benefit and use, whether a proprietary, build to print, or Industry Standard product. In such cases the product is considered non-cancellable and subject to inventory liability up to 100% of the purchase price, unless otherwise formally agreed.
- e) Any other changes to a purchase order, including but not limited to, specification, price, delivery time, or interchangeability of any Part can only be made by a change order signed by the authorized representatives of Buyer and Seller. Such change order shall include (i) the reason for the change; (ii) a description of the change; (iii) the effect on the specification, price, delivery time and/or interchangeability of the Part; and (iv) the effective date of the change. Seller will review all Part specification changes requested by Buyer and will promptly advise Buyer whether such a change is technically feasible and, if so, the effect on unit price and delivery schedule.

6) DEFAULT AND REMEDIES

- a) If either party substantially fails to perform a material obligation under this Agreement and such failure to perform remains uncured for thirty (30) days after receipt of written notice stating the failure to perform, the performing party may terminate this Agreement.
- b) Buyer may purchase product from other sources if Seller is unable or unwilling to sell product to buyer under this Agreement for any reason. Seller shall have no liability in the event Seller is unable or otherwise unwilling to sell such product to Buyer.

7) WARRANTY

- a) Seller warrants that at time of delivery to Buyer, Product will match the applicable specifications provided to Seller by Buyer and will be free from defects in workmanship and material. These warranties shall run to the Buyer, its successors and assigns. This warranty is valid for one (1) year or ninety (90) days after first use, whichever occurs first. Buyer must notify Seller in writing of any non-conformance of any defect in any Product within thirty (30) days after such discovery. All items returned or replaced hereunder, shall be warranted only for the remaining portion of the original warranty period.
- b) Seller's sole obligation under this warranty is limited to Sellers replacement of any Product or refund/credit to Buyer of the price of such Product (at Sellers option) for any Product not matching the applicable specifications provided to Seller by Buyer or containing a defect in workmanship or material. Seller agrees to pay reasonable transportation costs for the return of any such non-conforming or defective Product in an amount not to exceed normal shipping charges to a facility designated by Seller.
- c) Seller shall not be liable under this warranty for any defect resulting from a Part / Product having been exposed or subject to: (i) Any alteration, modification, maintenance, repair, installation, handling, transportation, storage, operation or use that is improper or otherwise not in compliance with the manufacturer's instructions, unless caused by Seller; (ii) Any accident, contamination, foreign objects damage, abuse, neglect, or negligence after delivery to buyer, unless cause by Seller; or (iii) Any damage precipitated by any part not supplied by Seller.
- d) Sellers obligation under this warranty are conditioned upon Buyers obligation to maintain records which accurately reflect the handling of the Product in question so as to establish the nature of any unsatisfactory condition to Sellers Product. Seller, at its request, shall be granted access to such records for substantiating warranty claims.
- e) THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR NON-INFRINGEMENT, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED. NO EXTENSION OR EXPANSION OF THIS WARRANTY SHALL BE BINDING UPON SELLER UNLESS SET FORTH IN WRITING AND SIGNED BY SELLERS AUTHORIZED REPRESENTATIVE. IN NO EVENT SHALL SELLER BE LIABLE FOR INTERRUPTION OF BUSINESS. LOSS OF PROFITS, LOSS OF USE, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES UNDER THIS WARRANTY EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE EXCLUSION OF THESE DAMAGES AS SET FORTH IN THIS WARRANTY SHALL BE DEEMED INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THE TERMS OF THIS WARRANTY.



- 8) **EXCUSABLE DELAYS**
Seller shall not be liable for any delay in the performance hereunder or delivery of Product if the delay is caused by force beyond its reasonable control, including, but not limited to, (i) delay by Buyer in providing the necessary specifications, data, or approvals, which causes seller's delay in performance hereunder and/or delivery of Product, (ii) Acts of God, fire, explosion, flood and other natural catastrophe, governmental acts, order or regulation, strikes, labor difficulties or material or component shortages to the extent not caused by the fault or negligence of Seller, provided, however, that the delay shall last only as long as the event(s) remain beyond the reasonable control of Seller. If Seller is unable to ensure an uninterrupted supply of Product at no additional cost to Buyer despite Seller's best efforts after thirty (30) days, Buyer may in writing immediately terminate the orders as to such Product for which the Sellers is excused from delivery without liability to Seller.
- 9) **PATENT INDEMNIFICATION**
Seller shall, as its sole obligation with regard to patent indemnification, upon the request of the Buyer, assign, transfer and set over to Buyer any and all patent indemnifications of Seller's suppliers and/or manufacturers of Parts /Product.
- 10) **CONFIDENTIALY**
Neither part shall disclose to a third party any information concerning the Terms and Conditions of this Agreement, nor the prices offered in this Agreement, without first containing the written consent of the other party, except pursuant to government rules and regulations or as otherwise required by law.
- 11) **ASSIGNMENT**
Neither party shall assign this Agreement or any portion thereof without the prior written consent of the other party. Buyer acknowledges that Seller is a distributor of consumable parts and hardware and will be purchasing Product from third parties to the specifications that Buyer provides to Seller.
- 12) **COMPLETE AGREEMENT**
a) This Agreement is the complete agreement of the parties and supersedes any previously executed agreement, other writings or oral understanding that relate to the subject matter of this Agreement.
b) This Agreement shall not be modified or amended except by written agreement dated subsequent to the date hereof and signed by the party to be changed thereby.
- 13) **NOTICES**
a) All notices, demands and other communication, excluding purchase orders and similar day-to-day routine communications, to be given under this Agreement, unless otherwise indicated, shall be in writing and shall be sent by prepaid air courier service such as FEDEX or UPS, addressed as follows:
i) If to Seller: To the attention of the Managing Partner, HB Aerospace Holdings, LLC, 7665 East Velocity Way, Suite 101, Mesa, Arizona, 85212
ii) If to Buyer: To Buyers address on its purchase or delivery order or other address previously used by Seller.
b) Either party may change the persons and address to which its notice may be given by giving notice to the other party as set forth in paragraph 11(a). The effective date of any notice given under this Agreement, unless otherwise indicated, shall be the first to occur of: (i) receipt by the addressee: or, (ii) five (5) business days after the same has been delivered to the air courier service.
- 14) **WAIVER**
Failure by either party to assert any or all of its rights upon any breach of this Agreement shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or Part. No waiver of any right shall extend to or affect any other right either party may possess, nor shall such waiver extend to any subsequent similar or dissimilar breach.
- 15) **EXPORT LAW**
Buyer shall be responsible for Companies with the export control laws and regulations of the U.S. Government and agrees to not re-distribute, re-sell or otherwise transfer the products delivered by Seller to Buyer under this agreement without first having obtained all necessary approvals and licenses from the appropriate U.S. Government agency. Seller shall make applications for any export license that may be required under this Agreement. Seller shall not be liable to Buyer for any failure to provide goods, services or technical data as a result of any following U.S. Government actions: (1) refusal to grant export or re-export license; (2) cancellation of export or re-port license that limits or has a material adverse effect on the cost of Seller's performance hereunder.
- 16) **GOVERNING LAW**
The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods is excluded from transactions between Buyer and Seller under this Agreement. Buyer and Seller expressly agree in recognition of their rights as specified in said Convention that the laws governing the construction and interpretation of this Agreement shall be the laws of the State of Arizona, USA, excluding its choice of law's provisions.
- 17) **LIMITATION OF LIABILITY**
SELLER'S LIABILITY FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THIS AGREEMENT, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM THE DESIGN, DEVELOPMENT, MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR OR USE OF ANY PRODUCT COVERED BY OR FURNISHED UNDER THIS AGREEMENT SHALL IN NO CASE EXCEED THE CONTRACT PRICE ALLOCABLE TO THE PRODUCT, OR PART THEREOF, OR SERVICE THAT GIVES RISE TO THE CLAIM. NOTWITHSTANDING IN THIS AGREEMENT TO THE CONTRARY, SELLER WILL NOT BE LIABLE FOR ANY SPECIAL DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES OR LOSS OF USE OF ANY PROPERTY OR CAPITAL OR BUYER OR ANY THIRD PARTY, EVEN IF THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED TO SELLER IN ADVANCE OR COULD HAVE BEEN REASONABLY FORSEEN BY SELLER. THESE EXCLUSIONS OF TYPES OF DAMAGES AND LIMITATIONS ON THE AMOUNT OF DAMAGES SET FORTH IN THIS AGREEMENT SHALL APPLY REGARDLESS OF THE THEORY OF LIABILITY, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL THEORY. THESE EXCLUSIONS OF TYPES OF DAMAGES SHALL BE DEEMED INDEPENDENT OF, AND SHALL SURVIVE ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THE TERMS OF THIS AGREEMENT.