

## TERMS AND CONDITIONS OF SALE

Unless otherwise specifically agreed to in writing and signed by an authorized employee of Aero Engine Solutions, Inc. (AESI), the following terms and conditions of sale (together with the attached quote or invoice is referred to herein as the "Agreement") applies to all sales of products by AESI to Buyer. Any different or additional terms and conditions proposed by Buyer in its purchase order, or otherwise, are objected to by AESI and shall not form part of the Agreement. Buyer's assent to this Agreement and Buyer's acceptance of all or part of the products ordered shall be conclusive proof of Buyer's failure to reasonably object to any terms and conditions of the Agreement. This Agreement represents the entire agreement of the parties and all proposals, negotiations, representations or agreements made or entered into prior to or contemporaneously with this Agreement, whether verbal or written, are cancelled and superseded by this Agreement.

**1. TERMS OF SHIPMENT AND ACCEPTANCE.** AESI will make products available to Buyer Ex Works (IncoTerms 2010) AESI's warehouse dock or the location of the "drop shipment" noted on AESI's quote or invoice (the "Delivery Location"). Title to any products purchased by Buyer pursuant to the Agreement shall pass at the same time as risk of loss passes to Buyer at the Delivery Location. By accepting products at the Delivery Location, Buyer agrees that the products are free of defects, which a reasonably careful inspection would disclose. All products shall be packed and packaged in accordance with reasonable commercial practice for one-way shipment by air and/or surface transportation.

**2. PRICES AND TAXES.** All quotations are made for immediate acceptance and are subject to change without notice prior to acceptance. Prices are stated in United States Dollars, exclusive of sales, use, excise, customs, duties, value added taxes, goods and services taxes or similar taxes (collectively, "Taxes"), and are subject to any price adjustment necessitated by AESI's compliance with any act of government. Buyer is responsible for all Taxes and other charges arising from the sale, shipment, delivery or use of any products identified in the Agreement and will pay, reimburse, indemnify and hold AESI harmless for any such Taxes or charges that may be levied by any governmental agency on AESI, the products or Buyer as a result of the sale, shipment, delivery, or use of any products.

**3. PAYMENT AND DELIVERY.** It is specifically understood and agreed that the title to all products listed or included in the foregoing Agreement shall remain with AESI's until full payment of same has been received, and the funds have cleared. All payments shall be made in United States Dollars. All payments shall be made in full prior to shipment of the products; except where AESI has authorized or extended credit terms to Buyer in writing for payment and/or scheduled advance payment, of which, such conditions will be listed on the face the invoice referenced above. AESI reserves the right to modify or withdraw credit terms at any time without notice and to require guarantees, security, or payment in advance of the amount of credit involved. If Buyer fails to fulfill the terms of payment, AESI may defer further shipment to Buyer or, at its option, cancel the unshipped portion of Buyer's order. Buyer agrees to pay interest on all past due invoices at the highest rate allowable under applicable law.

The Buyer agrees to pay all costs of collection, including all reasonable attorneys' fees in the event it becomes necessary to enforce payment thereof. The maximum interest rate allowable under the Florida law shall be applied to all past due accounts commencing from the due date until the date the invoice amount, plus any accrued interest is paid in full.

**4. DATE OF SHIPMENT AND DELAY.** Shipping dates are given at the best of AESI's knowledge based upon conditions existing at the time the order is placed, and information furnished by Buyer. AESI will, in good faith, endeavor to ship by the estimated shipping date. AESI is not responsible for any delay or any damage arising from its failure to ship any products by the estimated shipping date. AESI will use commercially reasonable efforts to give timely notice to Buyer of any such event that may delay shipment or delivery of any products and will further use commercially reasonable efforts to endeavor to avoid or remove the cause of any delay (where such delay is in the reasonable control of AESI) and resume performance with minimum delay. The time for delivery will be extended accordingly.

**5. CANCELLATION OF ORDER BY BUYER: RETURN OF PRODUCTS FOR CREDIT.** Buyer's order may not be modified or rescinded except in writing signed by AESI and Buyer. If all or part of Buyer's order is terminated by such modification or rescission, Buyer, in the absence of a contrary written agreement between AESI and Buyer, shall pay termination charges based upon cost determined by accepted accounting principles plus a reasonable profit. In any circumstance, AESI's written consent must be given in advance of Buyer's return of products for credit. All returns for credit must be made within thirty (30) days of purchase. All returns are subject to AESI approval and a 15% restocking fee.

**6. FORCE MAJEURE.** AESI shall not be liable for any failure to perform its obligations under this Agreement resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer, acts of civil or military authority, acts of government, court order, civil unrest, sabotage, adverse weather conditions, labor troubles and shortages of any products, priorities, fire, strikes or other labor disputes, accidents, floods, epidemics, war, riot, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond AESI's reasonable control.

**7. LAW AND JURISDICTION.** The definitions of terms used, interpretation of this order, and rights and liabilities of parties hereto shall be construed under and governed by the laws of the State of Florida, U.S.A. and the courts situated in Miami-Dade County Florida shall have non-exclusive jurisdiction to hear any dispute arising hereunder. Buyer agrees to pay all costs and expenses, including reasonable attorneys' fees and court costs, incurred by AESI in any action to enforce its rights hereunder. The United Nations Convention on Contracts for the International Sale of Products, 1980, and any amendment or successor thereto is expressly excluded from this order. Buyer hereby waives: (a) the right to a jury trial in any and all proceedings; (b) any and all objections to venue and inconvenient forum in the state and federal courts referred to in this section; and (c) any and all objections to service of process by certified mail, return receipt requested.

**8. TERMINATION.** AESI may terminate the order at any time by written notice to Buyer if Buyer becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee, or custodian is appointed for Buyer or a substantial part of Buyer's property.

**9. DISCLAIMER OF WARRANTIES.** THE PRODUCTS ARE BEING SOLD "AS IS", "WHERE-IS" CONDITION, WITHOUT WARRANTY OF ANY KIND, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANT ABILITY OR FITNESS FOR A PARTICULAR PURPOSE). IN NO EVENT SHALL AESI BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING CLAIMING ANY WARRANTY OF THE PRODUCTS SHALL BE BINDING UPON AESI UNLESS IN WRITING AND SIGNED BY ITS DULY AUTHORIZED OFFICER OR REPRESENTATIVE.

**10. INDEMNIFICATION.** Buyer shall assume all loss and liability of any nature whatsoever arising out of the use, possession, or resale of said products, and agrees to indemnify, protect, defend and save, and hold AESI, its affiliates and their respective officers, directors, employees and agents ("hereinafter the Indemnitees") harmless with respect to any claim, suit, action or judgment of any kind arising out of such use, possession or resale, regardless of whether caused by the negligent acts (or omissions) of any of the Indemnitees.

**11. THIRD-PARTY FEES.** AESI and Buyer each indemnifies the other party from liability for fees, commissions or other claims made upon the other by third party brokers or finders when such claims were caused by the indemnifying party.

**12. LIMITATION OF LIABILITY.** AESI'S LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING NEGLIGENCE, FOR ANY LOSS (INCLUDING DEATH) OR DAMAGE ARISING OUT OF OR CONNECTED WITH, OR RESULTING FROM THIS ORDER, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM THE MANUFACTURE, SALE, DELIVERY, OR USE OF ANY PRODUCTS COVERED BY OR FURNISHED UNDER THIS ORDER SHALL IN NO CASE EXCEED THE PURCHASE PRICE ALLOCABLE TO THE PRODUCT WHICH GIVES RISE TO THE CLAIM. ANY SUCH LIABILITY SHALL BE CONDITIONED ON AESI HAVING BEEN IN FULL FOR THE PRODUCT GIVING RISE TO THE CLAIM, BUYER PROVIDING PROMPT WRITTEN NOTICE TO AESI OF ANY CLAIM AND, IN ANY EVENT, WITHIN ONE YEAR FROM THE DATE OF DELIVERY OF THE PRODUCT. IN NO EVENT SHALL AESI BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOST REVENUE OR PROFIT AND COST OF REPLACEMENT PRODUCTS.

**13. SEVERABILITY.** Any provision of this order which is prohibited or unenforceable in any jurisdiction shall, only as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such provision shall remain effective in any other jurisdiction. To the extent permitted by applicable law, each party hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

**14. ASSIGNMENT AND WAIVER.** Buyer may not assign, in whole or part, the Agreement without prior written consent of AESI. Failure by AESI to assert all or any rights upon 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. No written waiver of any right shall extend to or affect any other right AESI may possess, nor shall such written waiver extend to any subsequent similar or dissimilar breach.

**15. EXPORT.** Buyer understands that the products and/or technology to be purchased by it pursuant to this Agreement are subject to export controls under the laws of the United States, including but not limited to: (i) *U.S. exports regulations governing the export, transfer, or re-export of U.S. manufactured products, and products containing U.S. components, software, or technology as set forth in the U.S. Export Administration Regulations (EAR), 15 C.F.R. §§ 772 et seq.*; (ii) *U.S. export regulations and laws restricting U.S. companies and their foreign affiliates and subsidiaries from doing business with certain embargoed countries and entities as set forth in the U.S. Foreign Asset Control Regulations (FACR), 31 C.F.R. §§ 500 et seq.*; and (iii) *the International Traffic in Arms Regulations, 22*

*C.F.R. §§ 120 et seq.* Buyer agrees, warrants and represents that it will not export or re-export the products, technology, or products manufactured from the technology that are the subject of this Agreement in violation of the export laws of the United States.

**16. RECLAMATION AND RIGHT OF SET-OFF.** This provision shall apply if AESI has: (a) delivered the products to Buyer on credit; or (b) financed the sale of the products to Buyer. As a condition of AESI allowing the Buyer to accept delivery of the products on credit, Buyer represents and warrants to AESI that Buyer is solvent and is not presently a debtor in any bankruptcy case in any court of competent jurisdiction. In the event of Buyer's insolvency, the Agreement shall constitute a demand by AESI for reclamation of the products in accordance with Section 2-702 of the Uniform Commercial Code and Section 546(c)(1) of the United States Bankruptcy Code. In the event of Buyer's insolvency, Buyer does hereby waive any defenses to AESI's right to reclamation to the products sold and Buyer shall promptly return possession of the products to AESI. Buyer hereby grants a general lien on and a security interest in, any assets belonging to Buyer and in the possession of AESI as security for the performance of its obligations hereunder or to satisfy any obligation owed by Buyer to AESI under any agreement.

**17. TRANSPORTATION SECURITY REQUIREMENTS:** Buyer agrees to make a good faith effort to require its agents (including, but not limited to, brokers and freight forwarders) to (i) comply with all applicable transportation security laws and regulations, and (ii) provide proper identification and purchase order number when picking up products from AESI.

**18. ENTIRE AGREEMENT.** The Agreement governs the sale of products by AESI, notwithstanding any different, conflicting, or additional terms or conditions which appear on any purchase order or other business form submitted by Buyer, such different conflicting or additional terms submitted by Buyer will not become a part of the contract of sale between AESI and Buyer and are expressly rejected by AESI.