



## Standard Terms and Conditions of Sale

### Agreement

This Agreement is entered into between KP Aviation, LLC. (the "Seller") and Customer for the sale of aircraft and engine parts and components (individually, a "Part" and collectively, the "Parts") and is incorporated by reference in Seller's quotation (the "Quotation"). This Agreement supersedes any and all prior contemporaneous agreements, negotiations, representations, warranties, and communications. This Agreement prevails over any of Customer's general terms and conditions of purchase whether or not submitted with Customer's purchase order. Acceptance of Customer's purchase order does not constitute acceptance of any of Customer's terms and conditions and does not serve to modify or amend this Agreement.

### Pricing and Payment

All payments shall be made in United States Dollars. Title to all goods listed in the Quotation shall remain with Seller until fully payment is received from Customer. Quoted prices are valid for thirty (30) days and subject to prior sale. Subject to credit approval, all balances must be payable net thirty (30) days or as otherwise provided for in the Quotation. All past due amounts shall bear interest at a rate of one and one-half percent (1½ %) per month or the maximum amount permitted by law commencing on the due date until the date the invoice amount is paid in full. Customer agrees to pay any and all costs of collection including attorney's fees in the event it becomes necessary to enforce the payment of Seller's invoices. Customer shall not have a right to set-off amounts due to Seller hereunder against any amount owed by Seller to Customer. Seller reserves a purchase money security interest in all Parts sold pursuant to the Quotation and proceeds thereof until payment in full is made for all Parts provided in connection with the sale. Customer agrees to execute any financing statement requested by Seller to perfect its security interest in the goods.

### Order Confirmation

All orders from Customer must be made in writing and are subject to approval and confirmation upon receipt by Seller. No order is guaranteed until Seller issues an Invoice to Customer. Cancellation of orders may not be made without the written consent of Seller and such orders are subject to a 15% cancellation fee. Customer's orders must be a minimum of \$150.

### Returns

All returns for credit must be requested within thirty (30) days from invoice date. Any requests after such thirty (30) days will be denied. All returns are subject to a 25% restocking fee. Parts returned without written authorization will be subject to a 75% restocking fee. Parts must be returned in the original condition in which such Parts were sold to Customer.

### Delivery Terms

Delivery terms are ExWork's Seller's facility (Incoterms 2010), or such other facility as Seller may designate, unless otherwise agreed to by the parties in writing. All Parts delivered shall be packaged in accordance with Seller's standard packing procedures for such Parts. Customer shall, within fifteen (15) calendar days after receipt of the Parts, notify Seller of any nonconforming Parts, return such nonconforming Parts to Seller at Customer's cost, and permit Seller a reasonable opportunity to replace such nonconforming Parts.

### Delay in Delivery

Seller will not be liable for any delay in performance due to causes beyond Seller's control including, but not limited to, embargoes, blockages, delays or refusals to grant export or import licenses or the suspension or revocation thereof, or any other acts or omissions of government, fires, floods, severe weather, or any other acts of God, quarantines, labor strikes, riots, insurrection, acts of criminals or terrorists, war, material, shortages or delays in delivery by third parties. In the event of such delay the delivery date shall be extended for a period of time as may be reasonably necessary to compensate for such delay. Seller will not be liable for lost profits, loss of business or other incidental, consequential, indirect or punitive damages arising out of any delay. Customer agrees that, for any liability arising out of delay, Seller is not liable or responsible for any amount of damage above the aggregate dollar amount paid by Customer for the purchase of the Parts under this Agreement.

### Warranty of Title

Seller represents that it shall have good and marketable title to the Parts sold to Customer on the date of sale. Title shall be conveyed by Seller to Customer on the date of sale, subject to Seller's purchase money security interest in receiving sales proceeds from Customer.

### Disclaimer of Warranties

OTHER THAN THE WARRANTY OF TITLE GRANTED HEREIN, NO WARRANTY SHALL BE PROVIDED BY SELLER WITH RESPECT TO PARTS SOLD HEREUNDER, AND EACH PART SOLD TO CUSTOMER IS SOLD IN "AS-IS" CONDITION WITH ALL ASSIGNABLE WARRANTIES FROM THE LAST OPERATOR OR REPAIR FACILITY (IF SUCH WARRANTIES EXIST), AND THE OBLIGATIONS AND LIABILITY OF SELLER HEREUNDER ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, AND CUSTOMER HEREBY WAIVES AND RELEASES SELLER FROM ANY AND ALL OTHER WARRANTIES, AGREEMENTS, GUARANTEES, CONDITIONS, OBLIGATIONS, DUTIES, REPRESENTATIONS, REMEDIES OR LIABILITIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PARTS, ARISING IN CONTRACT OR IN TORT, WHETHER UNDER THEORIES OF NEGLIGENCE, STRICT NEGLIGENCE, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: (1) ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (2) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, AND (3) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, FOR LOSS OF USE OR DAMAGE TO ANY ENGINE OR AIRCRAFT OR ANY OTHER PROPERTY FOR LOSS OF REVENUE OR PROFIT WITH RESPECT TO ANY SUCH PROPERTY FOR LIABILITY OF CUSTOMER TO ANY THIRD PARTY OR FOR ANY OTHER DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHATSOEVER WITH RESPECT TO ANY PART SOLD HEREUNDER, EXCEPT IN THE CASE OF SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

### Customer's Insurance

Customer shall carry and maintain such insurance in full force and effect and in types and amounts as would be carried by other companies engaged in the Customer's industry. Such policies of insurance shall be primary with respect to the Indemnities of Customer set forth herein and shall contain waivers of subrogation of the insurers in favor of the Seller Indemnitees. Customer shall provide Seller certificates of insurance upon Seller's request.



#### **Indemnity**

Customer hereby agrees to release, Indemnify, defend and hold Seller, its subsidiaries, affiliates and shareholders, and all of their respective officers, directors, members, employees, agents, successors and assigns (collectively referred to as the "Seller Indemnitees") harmless against any and all losses, liabilities, damages, costs, and expenses resulting or arising (directly or indirectly) from property damage or injury to or death of any person and any other direct, indirect, incidental, consequential, economic, or statutory civil damages any of which arise out of or are in any way related to the provision of services by the Seller Indemnitees or the use, operation, repair, maintenance, or disposition of Parts provided under any order, whether or not arising from breach of contract, strict liability, or tort (including negligence), provided however, Customer shall not be required to indemnify the Seller Indemnitees for claims or liabilities arising from the gross negligence or willful misconduct of any Seller Indemnitee.

#### **Limitation of Liability**

Seller'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 Agreement or the Quotation, or from the performance or breach thereof, or from the manufacture, sale, delivery, or use of any goods covered by or furnished under the Quotation shall not exceed the price allocable to the Part which gives rise to the claim. In no event shall Seller be liable for special, incidental, indirect, punitive, or consequential damages including, but not limited to, lost revenue or profit and cost of replacements goods.

#### **Governing Law**

This Agreement shall be constructed and governed according to the laws of the State of Nevada. Any disputes or claims shall be filed in the courts of Reno, Nevada or as otherwise agreed to in writing by the Parties. Customer agrees to pay all costs and expenses, including reasonable attorney's fees incurred by Seller in any action to enforce its rights hereunder. Customer hereby waives; (a) the right to 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.

#### **Export Compliance**

The export and re-export of goods and related technical information under this Agreement are subject to the export laws of the United States of America. Customer shall be responsible for applying for, obtaining and maintaining all required export licenses and approvals and complying with all applicable export reporting requirements. Seller does not guarantee the issuance of such licenses or their continuation in effect once issued. It shall be a condition precedent to Seller's obligations hereunder that all necessary export licenses and approvals shall be timely granted and continue in effect during the term of this Agreement.

Customer agrees that it will not, directly or indirectly, export or re-export any goods or technical information received from Seller to any destination if such export or re-export would violate the laws of the United States of America. Customer agrees to indemnify and hold Seller harmless against any liability arising from any breach of Customer's obligations under this Section.

#### **Entire Agreement**

Seller rejects any of Customer's inconsistent conditions in purchase orders or however stated and such shall not be part of this Agreement, unless specific and explicit references to changes to this Agreement are made in writing by an authorized representative of Seller.

#### **Confidentiality**

Customer acknowledges that it will obtain confidential information provided as a result of this Agreement, including, without limitation, all provisions of the Quotation, drawings, specifications, schematics, and formulae (the "Confidential Information"). Confidential Information will not include information which is already in the public domain or which is already in Customer's possession and not otherwise confidential or which was received from third parties having a right to disclose such information. Customer agrees to keep the Confidential Information strictly confidential and will not disclose nor permit the disclosure of nor use the Confidential Information for any purpose whatsoever, except as provided herein. Customer may disclose the Confidential Information to such of its officers, directors, attorneys, accountants, lenders, members, joint venture partners, or employees who are required to know the Confidential Information in the course of performance of this Agreement or their professional services ("Disclosees"). All Disclosees will be informed of the confidential nature of the Confidential Information and will, prior to obtaining access thereto, agree to keep this Confidential Information confidential in accordance with the terms of this Order. If so required, Customer may also disclose the Confidential Information in connection with the enforcement of this Agreement or pursuant to any valid court order, regulation or other lawful order or process compelling such disclosure but only after notifying Seller of such disclosure prior to its occurrence.

#### **Severability**

If any term, clause or provision contained herein is declared or held invalid or enforceable by any court of competent jurisdiction, such declaration shall not affect the validity or enforceability of any of the term, clause or provision hereof.

#### **Survivability**

If this Order expires, is completed, or is terminated, Customer shall not be relieved of those obligations contained herein. All the provisions will survive the termination.