

**UNISON INDUSTRIES**  
**STANDARD TERMS AND CONDITIONS OF SALE:**  
**SALE OF GOODS AND REPAIR OR OVERHAUL SERVICES**

Except as otherwise agreed, these standard terms and conditions of sale of **Unison Industries, LLC**, a Delaware, U.S.A. limited liability company (**herein called "Seller"**), together with any special conditions of sale set forth in Seller's proposal, shall be the only terms and conditions applicable to the sale of goods and the repair or overhaul of Buyer furnished items. As used herein, the term "*Repair or Overhaul*" is defined to include all labor and materials used by Seller to restore Buyer furnished items to serviceable condition and all other work which Seller has agreed to supply. The methods, procedures, and sequencing described in the specified repair process are intended as a guide. Methods better suited to the particular repair or overhaul facility can be accepted, providing the procedures do not detract from the efficiency, quality, and operation of the end item as evaluated and approved by Seller. Moreover, mandatory process steps, specified values, or limits, such as those required by applicable drawings or approvals, shall be strictly observed.

These terms and conditions shall be in lieu of all terms and conditions appearing on the face or reverse side of any purchase order submitted by Buyer, except that the work scope, price, quantity, redelivery dates and shipping instructions shall be as set forth in any purchase order accepted by Seller. The acknowledgment of any Buyer purchase order by the Seller, or commencement of any performance by the Seller pursuant to such order, shall constitute Buyer's acceptance of Seller's terms and conditions and the prices set forth in Seller's catalog, which are expressly conditioned upon the applicability of seller's terms and conditions exclusively. No terms or conditions stated by Buyer shall be binding on Seller unless Seller expressly accepts such terms or conditions in writing by Seller. The failure of Seller to specifically object to any or all terms and conditions suggested by Buyer shall not be deemed an acceptance of such terms and conditions. Further, upon receipt of these Terms and Conditions of Sale from Seller (via catalog or otherwise) or upon Seller's commencement of performance hereunder, shall be deemed to have withdrawn Buyer's terms and conditions and shall further be deemed to have accepted Seller's terms and conditions hereunder whether or not Buyer submits any terms and conditions subsequent to receipt of the terms and conditions herein.

**PROPRIETARY INFORMATION NOTICE**

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**ARTICLE I - PRICE**

- A. All prices are in United States Dollars, shall be as quoted by Seller to Buyer or shall be as published in Seller's then current Price Lists or Catalogs, and include Seller's usual factory testing, inspection and packaging, in accordance with good commercial practice. Any additional factory testing, inspection and packaging requirements of Buyer shall be paid for by Buyer.
- B. To the extent specified in the proposal or accepted purchase order, the prices shall be subject to adjustment as described therein.

Seller shall Redeliver the Repaired or Overhauled items to Buyer: (i) For Products shipped to a domestic U.S. destination, Delivery of such products shall be EXW Seller's place of manufacture, pursuant to International Chamber of Commerce "Incoterms" (2010 Edition) ("Re-Delivery"). Title to Seller furnished parts, material and associated labor shall pass to Buyer upon assignment to Buyer's Equipment. (ii) For Products shipped to a destination outside of the U.S. Delivery of such products shall be FCA Seller's place of manufacture, pursuant to International Chamber of Commerce "Incoterms" (2010 Edition) ("Re-Delivery"). Title to Seller furnished parts, material and associated labor shall pass to Buyer upon assignment to Buyer's Equipment.

**ARTICLE II - DELIVERY, TITLE AND RISK OF LOSS**

- A. Seller shall deliver all goods sold hereunder ("Products") to Buyer: (i) For Products shipped to a domestic U.S. destination, Delivery of such products shall be Ex Works ("EXW") Seller's place of manufacture, pursuant to International Chamber of Commerce "Incoterms" (2010 Edition) ("Delivery"). Title and risk of loss or damage to such new Products shall pass to Buyer upon Delivery. (ii) For Products shipped to a destination outside the U.S. Delivery of such products shall be Free Carrier ("FCA") Seller's place of manufacture, pursuant to International Chamber of Commerce "Incoterms" (2010 Edition) ("Delivery"). Title and risk of loss or damage to such new Products shall pass to Buyer upon Delivery.

Buyer is responsible for providing the correct information to ensure timely export and import of Products. Please review the following links to ensure completed forms and expedited processing, [invoice guidelines](#) and [C-TPAT guidelines](#). Also see GE Aviation ISF [Form](#) & [Process](#). Buyer shall be responsible to Seller for any costs incurred as a result of delay customs clearance, to include customs storage fees.

Items to be Repaired or Overhauled shall be Delivered at Place ("DAP") to Seller's designated repair facility pursuant to International Chamber of Commerce "Incoterms" (2010 Edition) ("Repair Delivery").

In the case of DAP international repair delivery, the Buyer of the products, becomes the "Shipper" and "Exporter" and is responsible for fulfilling those "Seller" Incoterms obligations, which include risk of loss of goods until delivery, payment of export clearance, transportation costs from foreign shipment origin to delivery at U.S. repair facility. Any other costs incurred as a result delivery, such as, but

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not limited to, carrier or agent charges related to export, transportation, handling, storage, and delivery services are payable by the Shipper. It is also the Shipper's responsibility, in this case, to ensure that Shipper's international invoice and clearance documents comply with U.S. customs requirements. For questions or concerns regarding timely delivery of repair products to U.S. repair facilities contact Seller.

- B. If Delivery or Repair of Buyer's equipment to be serviced ("Equipment") is delayed, or Repair of Equipment is interrupted due to Buyer's failure to provide transportation, workscope and/or repair information, authorizations, instructions, historical information or Parts specified Turn Time for such Equipment shall not commence until such deficiencies are corrected by Buyer and shall be extended by the period of delay. Redelivery dates for Repaired or Overhauled items are approximate and are based on prompt receipt by Seller of all information necessary to permit Seller to proceed with work promptly and without interruption, and Buyer's compliance with these terms and conditions, including payment terms.
- C. Seller may deliver all or any part of an order of new Products or Repaired or Overhauled items in advance of the new Product Delivery or Equipment Redelivery schedule.
- D. If any new Product or Repaired or Overhauled item cannot be delivered when ready due to any cause referred to in Article VIII, Excusable Delays, Seller may deliver such item into storage (which may be at Seller's facility or at the place of manufacture). In such event, Seller shall notify Buyer of the new Product Delivery or Equipment Redelivery into storage, Seller's new Product Delivery or Equipment Redelivery obligations shall be deemed fulfilled, and all risk of loss or damage shall thereupon pass to Buyer. Any amounts otherwise payable to Seller upon new Product Delivery or Equipment Redelivery shall be payable upon presentation of Seller's invoices therefor. Promptly upon submission of Seller's invoices, Buyer shall reimburse Seller for all expenses incurred by Seller, such as, but not limited to, preparation for and placement into storage, handling, inspections, preservation and insurance. Upon payment of all amounts due hereunder, Seller shall assist and cooperate with Buyer in the removal of any item which has been placed in storage.
- E. If special tooling is required for performance of Buyer specific requirements, title and possession to all tools shall remain with Seller. However, the tooling shall only be used for Buyer's requirements unless otherwise agreed by the parties.

**ARTICLE III - PAYMENT**

- A. Payment shall be made in United States Dollars at a U.S.A. bank acceptable to Seller. Terms of payment shall be as stated in the proposal or accepted purchase order and may provide for advance or partial payments with the balance payable upon new Product Delivery, Equipment Repair Delivery, or Equipment Redelivery or readiness for Redelivery. If terms of payment are not stated in the proposal or accepted purchase order, terms of payment

shall be net thirty (30) days after date of Seller's invoice, or thirty (30) days after date of new Product Delivery or Equipment Redelivery, whichever occurs first.

- B. When payment is to be made through the medium of a letter of credit, such letter of credit shall: be established at Buyer's expense; be in favor of and acceptable to Seller; be consistent with the terms of this document, the proposal or accepted purchase order; be maintained in sufficient amounts and for the period necessary to meet all payment obligations hereunder; be irrevocable; be issued by or confirmed by a prime U.S.A. bank acceptable to Seller within fifteen (15) days after acceptance of the purchase order; permit partial deliveries; provide for pro rata payments upon presentation of Seller's invoices therefor and either Seller's certificate of new Product Delivery or Equipment Redelivery Ex Works, Seller's facility or place of manufacture or new Product Delivery or Equipment Redelivery into storage; and, provide for the payment of any charges for storage, export shipment, price adjustments, and cancellation or termination.
- C. If Buyer fails to make timely payments, or if the financial condition of the Buyer at any time does not, in the judgment of the Seller, justify continuance of the performance of an accepted purchase order by the Seller on the terms of payment as agreed upon, or upon commencement of any bankruptcy or reorganization proceedings or the potential insolvency of the Buyer, the Seller may require full or partial payment in advance or shall be entitled to cancel any purchase order then outstanding and shall receive reimbursement for its reasonable and proper cancellation charges (including charges for work already performed).
- D. In order to secure the full and punctual payment of the amounts due Seller in accordance with the terms hereof, and to secure its performance of a purchase order issued hereunder, Buyer hereby pledges, assigns and grants to Seller a continuing lien and security interest in and to all of the new Products delivered to Buyer, the Equipment owned by Buyer, and Seller spare Product parts ("Parts") used in connection with these items.

Buyer hereby irrevocably constitutes and appoints Seller and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Buyer or in its name, from time to time in Seller's discretion, for the purpose of carrying out the terms of this Article, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Article and, without limiting the generality of the foregoing, Buyer hereby gives Seller the power and right, on behalf of Buyer, to do, at any time, or from time to time, all acts and things which Seller deems necessary to protect its security interest and rights herein including, but not limited to, the execution on behalf

of Buyer and the filing of this Agreement or any other agreement, lien, financing statement or notice required by applicable law in order to protect its security interest all as fully and effectively as Buyer might do.

Should Buyer fail to make any payment when due, Supplier may charge interest for the past due amount. All past due payments shall bear interest at a rate equal to the one (1) year London Inter Bank Offered Rate ("LIBOR") for U.S. Dollar deposits, as published in the Wall Street Journal, current at the due date of the invoice, plus four hundred (400) basis points, compounded daily on any unpaid balance commencing on the next day after the payment due date until such time as the payment plus the late payment charges are received by Supplier in full. If Buyer fails to make any payment, which is not the subject of a good faith dispute, when due, and does not cure such failure within fifteen (15) days of such due date, Supplier may terminate or suspend performance of all or any portion of this Agreement.

#### **ARTICLE IV - INSPECTION AND TEST**

The quality control exercised in the manufacture of new Products or Repair and Overhaul of Equipment shall be in accordance with Seller's normal commercial quality control policies, procedures, and practices. Seller is authorized to deliver such items with evidence of inspection by Seller's quality control representative. Any Certificate of Inspection signed by Seller's quality control representative, shall be conclusive regarding inspection and tests.

#### **ARTICLE V - TAXES**

In addition to the price for the new Products or Repaired and Overhauled Equipment delivered hereunder, Buyer shall pay to Seller, upon demand, or furnish to Seller evidence of exemption therefrom, any taxes (including without limitation, sales, use, excise, turnover or other value added taxes), duties, fees, charges or assessments of any nature (but excluding any taxes in the nature of income taxes of Seller), legally assessed or levied by any governmental authority against Seller or its employees, its affiliates or their employees, as a result of any sale, new Product Delivery, Equipment Redelivery, transfer, use, export, import or possession of such item or otherwise in connection with the purchase order. If claim is made against Seller for any such taxes, duties, fees, charges or assessments, Seller shall immediately notify Buyer and, if requested by Buyer, Seller shall not pay except under protest, and if payment be made, shall use all reasonable efforts to obtain a refund thereof. If all or any part of any such taxes, duties, fees, charges or assessments be refunded, Seller shall repay to Buyer such part thereof as Buyer shall have paid. Buyer shall pay to Seller, upon demand, all expenses (including penalties and interest) incurred by Seller in protesting payment and in endeavoring to obtain such refund.

#### **ARTICLE VI - PACKING AND MARKING**

New Products and Repaired and Overhauled Equipment shall be prepared and packed in accordance with Seller's normal commercial practice unless otherwise provided in the purchase order. Seller agrees to comply with all reasonable written instructions of Buyer as to markings to be placed on invoices, bills of lading, packing lists, correspondence and on the exterior of shipping containers.

#### **ARTICLE VII - GOVERNMENT AUTHORIZATIONS AND EXPORT SHIPMENTS**

- A. Buyer shall be importer and exporter of record and shall be responsible for timely obtaining any required governmental authorization such as an import license, export license, exchange permit or any other required governmental authorization. At Buyer's request, Seller will assist Buyer in its application for any required U.S.A. export licenses. Seller shall not be liable if any authorization is delayed, denied, revoked, restricted or not renewed and Buyer shall not be relieved thereby of its obligation to pay Seller for its work and any other charges which are the obligation of the Buyer hereunder.
- B. All items (including technical data) delivered hereunder shall at all times be subject to the Export Administration Regulations and/or International Traffic In Arms Regulations (ITAR) of the U.S.A. and any amendments thereof. Buyer agrees not to dispose of U.S.A.-origin items (including technical data) provided by Seller (for example, but not limited to, disposition by way of trans-shipment, re-export, diversion or otherwise) other than in and to the country of ultimate destination specified in Buyer's purchase order or declared as the country of ultimate destination on Seller's invoices, except as said laws and regulations may permit.
- C. Buyer agrees to comply with all applicable U.S. export control laws and regulations, including but not limited to the requirements of Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120 et seq.; the Export Administration Act, 50 U.S.C. App. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; and the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Buyer agrees that it shall not transfer any export controlled item, data, information or services, to include transfer to foreign persons, including those foreign persons employed by or associated with, or under contract to the receiving Party, without the authority of an applicable export license, agreement, or applicable exemption or exception.
- D. Seller agrees that the export shall be treated as a routed transaction pursuant to 15 CFR 758.3(b) and 15 CFR 30.3(e).
  - (i) Export License Determination. Buyer agrees that all provisions of the US EAR, including the end-user and end-user controls found in part 744 of the EAR, and the General Prohibitions found in part 736 of the EAR, apply to this routed export transaction. The Buyer (or Buyer's designated agent) shall be the exporter and must determine licensing authority (License, License Exception, or NLR), and obtain the appropriate license or other authorization. Buyer shall be responsible for obtaining any required licenses or any other required governmental authorization and shall be responsible for complying with all US and foreign

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government licensing requirements. Buyer shall restrict disclosure of all information and data furnished in connection with such authorization and shall ship the subject matter of the authorization to only those destinations that are authorized by the US Government.

- (ii) Export Reporting. Pursuant to 15 CFR 30.3(e), Buyer hereby authorizes Seller (or Seller's designated agent) to file all required Electronic Export Information (EEI) reports via the U.S. Automated Export System (i.e. "AES records") prior to export from the US. Seller (or Seller's designated agent) shall retain documentation to support the EEI filed and provide documentation to Buyer upon request.

**ARTICLE VIII – DUTY DRAWBACK**

In accordance with 15 CFR 191.28 and 15 CFR 191.33(b)(2), Buyer agrees to waive the right to claim drawback and assign such right to Seller.

- (i) Buyer disclaims any rights or interest to and in drawback on all engines, engine kits and other products manufactured by Seller heretofore and thereafter exported and gives blanket endorsement of drawback rights to Seller, the importer or manufacturer of the exported articles
- (ii) Buyer shall not authorize itself to claim drawback on these exportations, nor will Buyer authorize any other entity to do so.
- (iii) Buyer agrees to provide Seller with proofs of export to support its drawback program as required by U.S. Customs. This disclaimer will remain in effect until cancelled in writing.

**ARTICLE IX - EXCUSABLE DELAYS**

- A. Seller shall be excused from and shall not be liable for any delays in its performance or failure to perform hereunder, and shall not be deemed to be in default for any failure of performance hereunder, due to causes beyond its reasonable control. Such causes shall be conclusively deemed to include, but shall not be limited to, acts of God, acts (or failure to act) of civil or military authority, acts (including failure to act) of any government, government agent or official, government priorities, fires, strikes, labor disputes, work stoppage, floods, epidemics, war (declared or undeclared), riot, delays in transportation or inability to obtain on a timely basis necessary labor, materials, fuels or components.
- B. In the event of any such delay or failure to perform, the date of new Product Delivery or Equipment Redelivery shall be extended for a period equal to the time lost by reason of the delay. The foregoing shall apply even though such cause may occur after Seller's performance of its obligations has been delayed for other causes. This provision shall not, however, relieve the Seller from using its best efforts to avoid or remove such causes and continue performance with reasonable dispatch whenever such causes are removed. Seller shall promptly notify Buyer when such delay or failure excused by this Article occurs, or impending delays are likely to occur, and shall

continue to advise Buyer of new new Product Delivery or Equipment Redelivery schedules and changes thereto.

- C. If delay resulting from any of the foregoing causes extends for more than six (6) months and the parties have not agreed upon a revised basis for continuing the work at the end of the delay, including any adjustment of the price, then either party, upon thirty (30) days written notice, may terminate the performance in respect to the work delayed, whereupon Buyer shall pay Seller's termination charges (including charges for work already performed) upon submission of Seller's invoice(s) therefor.

**ARTICLE X - WARRANTY**

- A. Seller warrants to Buyer that new Products will at the time of Delivery be free from defects in material, workmanship and title. Further, Seller warrants to Buyer that Repair and Overhaul work performed will at the time of Redelivery be free from defects in workmanship. Unless otherwise agreed in writing, if within one (1) year from date of new Product Delivery or Equipment Redelivery (as applicable), or within six (6) months of installation or, within one thousand (1,000) hours of operation, whichever shall first occur, Seller determines, upon Buyer's written notice thereof, prior to the expiration of thirty (30) days following discovery of the defect, that the work performed does not meet the warranty specified above, Seller shall thereupon correct the defect by (at its option) either repairing the defective work, making available at the Seller's facility a repaired or replacement item, or refunding the repair price allocable to the defective work. The warranty period on any such repaired or replaced item shall be the unexpired portion of the warranty on the initially repaired item. If requested by the Seller, Buyer shall ship such defective item to such location as specified by Seller. Seller shall use reasonable efforts to repair Buyer's item hereunder; however, Seller does not guarantee the repair yield.
- B. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESSED, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE).** This warranty is applicable only if the new Product or repaired Equipment is stored, installed, operated, handled, maintained and repaired in accordance with the then current recommendations of the manufacturer as stated in its manuals, bulletin or other written instructions.
- C. The liability of the Seller connected with or resulting from the foregoing warranty shall not in any case exceed the cost of correcting the defect as provided above, and, upon the expiration of the shortest period described in paragraph A of this Article X, all such liability shall terminate. The foregoing shall constitute

the sole remedy of Buyer and the sole liability of Seller for breach of warranty, whether the claim is in contract, warranty, tort, product liability or otherwise.

**ARTICLE XI - PATENTS AND COPYRIGHTS**

- A. Seller shall handle all claims and defend any suit or proceeding brought against Buyer insofar as based on a claim that, without further combination, any new Product, Part, or material supplied by Seller or process used by Seller in the Repair or Overhaul of any Equipment furnished under the accepted purchase order constitutes an infringement of any patent or copyright of the United States. This paragraph shall apply only to the extent that such material or process is so used to Seller's specification.
- B. Seller's liability hereunder is expressly conditioned upon Buyer promptly notifying Seller in writing and giving Seller exclusive authority, information and assistance (at Seller's expense) for the handling, defense or settlement, of any claim, suit or proceeding. In case such material is held in such suit to constitute infringement and the use of said material is enjoined, Seller shall, at its own expense and at its option, either (1) settle or defend such claim or suit or proceeding arising therefrom, or (2) procure for the Buyer the right to continue using said new Product, Part, or material in the item Repaired or Overhauled under the accepted purchase order, or (3) replace or modify such items with a non-infringing material, or (4) refund the new Product or Part purchase price, or the Repair or Overhaul price applicable to such Equipment.
- C. The preceding paragraph shall not apply (1) to any material or process or part thereof of Buyer's design or specification, or used at Buyer's direction in any repair under the accepted purchase order or (2) to the use of any material furnished under the accepted purchase order in conjunction with any other apparatus, article or material. As to any material or process or use described in the preceding sentence, Seller assumes no liability whatsoever for patent or copyright infringement, and Buyer shall, in the same manner as Seller is obligated to Buyer above, indemnify and hold Seller harmless from and against any claim or liability, including costs and expense in defending any such claim or liability in respect thereto.
- D. **THE FOREGOING SHALL CONSTITUTE THE SOLE REMEDY OF BUYER AND THE SOLE LIABILITY OF SELLER FOR PATENT OR COPYRIGHT INFRINGEMENT BY ANY PRODUCT, PART OR MATERIAL FURNISHED HEREUNDER, OR REPAIR PROCESS PERFORMED HERUNDER, AND IS SUBJECT TO THE LIMITATION OF LIABILITY SET FORTH IN ARTICLE XII, LIMITATION OF LIABILITY. THE PATENT WARRANTY OBLIGATIONS RECITED ABOVE ARE IN LIEU OF ALL OTHER PATENT WARRANTIES WHATSOEVER, WHETHER ORAL, WRITTEN, EXPRESSED, IMPLIED OR STATUTORY.**

**ARTICLE XII - LIMITATION OF LIABILITY**

- A. The liability of Seller, including its affiliates, employees, subcontractors or suppliers, on any and all claims, whether

in contract, warranty, tort, product liability, patent infringement, or otherwise shall be limited to direct damages arising out of, connected with, or resulting from the performance or non-performance of the accepted purchase order or any other agreement to which these Terms and Conditions apply or from the manufacture, sale, Delivery, Redelivery, resale, repair, overhaul, replacement or use of any Repaired or Overhauled Equipment or the furnishing of any service, and shall not in any case exceed the purchase order price allocable to the new Product, Part or the Repair or Overhaul service which gives rise to the claim.

- B. Any such liability shall terminate upon expiration of the warranty period specified in Article X, Warranty. In no event, whether as a result of breach of contract, warranty, tort, product liability, patent infringement, or otherwise, shall Seller, or its subcontractors or suppliers, be liable for any special, consequential, incidental, indirect, punitive, exemplary damages or damages arising from loss of use or loss of profits.

**ARTICLE XIII - INFORMATION**

- A. Notwithstanding any document, electronic or hardware marking to the contrary, any knowledge or information which Buyer shall have disclosed or may hereafter disclose to Seller incident to any new Product Sales or Repair or Overhaul of Equipment hereunder shall not be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction on use or disclosure.
- B. Any knowledge or information which Seller may disclose to Buyer with respect to the design, manufacture, sale or use of new Products or Repaired or Overhauled items provided by Seller hereunder, and which is identified by Seller as being proprietary information shall be held in confidence by Buyer. Such information shall not be reproduced, used or disclosed to others by Buyer without Seller's prior written consent.
- C. The preceding paragraph B shall not apply to information which (1) is or becomes part of the general public knowledge or literature otherwise than as a consequence of breach of Buyer's obligations hereunder, or (2) was, as shown by written records, known to Buyer prior to receipt from Seller, or (3) was, as shown by written records, independently developed by Buyer prior to receipt from Seller, or (4) is disclosed without restriction to Buyer by a third party having the right to do so.

**ARTICLE XIV - TERMINATION**

Buyer, upon thirty (30) days prior written notification, may terminate a purchase order and in such event shall pay Seller its termination charges determined in accordance with Seller's standard accounting practices upon submission of Seller's invoices therefor. Termination of an order shall not relieve either party of any obligation arising out of work performed prior to termination.

**ARTICLE XV - BUYER QUALIFICATIONS**

- A. Buyer certifies by acceptance of a purchase order incorporating these Terms and Conditions that it is or represents or is acting on behalf of (1) an airline or other aircraft owner/operator, (2) an authorized / licensed repair station, (3) an authorized engine overhaul or component repair facility, (4) an engine owner or engine/aircraft leasing company, (5) any other FAA authorized operation that is currently engaged in one of the above or will be engaged within one hundred and twenty (120) days after execution of the purchase order, or (6) an operation which possesses a signed license or repair agreement with Seller in which is specified the purchase of parts or manuals to fulfill the agreement. The Buyer, if not one of (1) through (6) above, has the responsibility to submit to Seller a "Material Certification" with each part submitted for repair which includes as a minimum the following information: Part Number; Serial Number; Description

The Certification must state the following:

The material is repairable; the original manufacturer of the hardware is the OEM or an authorized licensee; the material was not obtained by any US Government or Military source; and that the hardware was not subject to severe stress or heat as in the case of a major engine failure, accident or fire. This certification must be signed by a duly authorized officer / inspector of the company.

- B. Upon Seller's request, Buyer shall furnish written evidence that it meets the qualifications of paragraph A. of this Article XV.

**ARTICLE XVI - NON-STANDARD WORK (Repair Only)**

- A. When Buyer's Repair and Overhaul requirements necessitate operations or processes in the nature of "salvaging" parts, the work is accepted on a "best efforts" basis and Seller shall not be liable for Repair yield.
- B. Buyer shall be responsible for the Repair price when unsatisfactory metal finishing occurs due to metal imperfections, changes in grade or composition of materials, manufacturing and/or fabrication imperfections, usages for which the finishing operation was not reasonably designed and similar variables beyond Seller's reasonable control.

**ARTICLE XVII - GENERAL PROVISIONS**

A. DISPUTES/ARBITRATION

- (1) **Resolution by Senior Executive Officers.** If a dispute arises relating to the Agreement and related damages, if any, (the "Dispute") either party (the "disputing party") may give written notice to the other party (the "receiving party") requesting that the respective executive officers of the parties resolve the Dispute. Within fifteen (15) days after receipt of such notice, the receiving party shall submit a written response to the disputing party. The notice and the response shall include a statement of the applicable party's position and a summary of reasons supporting that

position. The parties shall cause such executive officers to meet, within forty-five (45) days after delivery of the disputing party's notice, at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to use commercially reasonable efforts to resolve the Dispute.

- (2) **Arbitration.** If the parties' executive officers are unable to resolve the Dispute by means of the process described above within one hundred twenty (120) days after delivery of the disputing party's notice, then either party may request that the Dispute be settled and finally determined by binding arbitration in New York, New York, or any other location the parties may agree, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect.

- (3) **Arbitration Procedure.** Each party will select one arbitrator and the arbitrators selected by each of the parties will within ten (10) days of their appointment, select a third neutral arbitrator. In the event that they are unable to do so, the parties or their attorneys may request the American Arbitration Association to appoint the third neutral arbitrator. The arbitral tribunal may hold pre-hearing conferences or adopt other procedures, including reasonable discovery and the Agreement shall be interpreted and applied in accordance with the substantive laws of the State of New York, without giving effect to its conflict of laws provisions, rules or procedures. Reasonable examination of opposing witnesses in oral hearing will be permitted. Each party will bear its own cost of presenting or defending its position in the arbitration. The award of the arbitrator rendered therein shall specify the finding of fact of the arbitrators and the reasons for such award. Any such award shall be final, binding and non-appealable and judgment may be entered thereon in any court having jurisdiction thereof. Notwithstanding the foregoing, an action may be brought in a court of competent jurisdiction to prevent the disclosure of confidential information or to protect a proprietary right.

- (4) **Exclusivity; Confidentiality.** Each of the parties intend that the dispute resolution process set forth in this Article shall be the parties' exclusive remedy for any Dispute. All statements made and documents provided or exchanged in connection with the dispute resolution process set forth in this Article shall not be disclosed unless such information is (a) generally available to the public (other than by disclosure in violation of this Agreement or any other agreement to which such person is a party); (2) available to such party on a non- confidential basis from a source that is not prohibited from disclosing such information to such party; or (3) after notice and an

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opportunity to contest, such party is required to disclose under applicable law or under subpoena or other process of laws.

- B. Seller may assign or novate its rights and obligations under this Contract, in whole or in part, to any of its affiliates and Buyer agrees to execute any documents that may be necessary to complete Seller's assignment or novation. Notwithstanding the above, Buyer consents to Seller the assignment of its accounts receivable under this Contract, to any party.

The assignment of a purchase order, or any rights or obligations thereunder, by either party without the prior written or written consent of the other party shall be void, except that Buyer's consent shall not be required for the substitution of a subsidiary or of an affiliated company of Seller in place of Seller as the contracting party and the recipient of payments pertaining to all or any portion of the purchase order. In the event of such substitution, Buyer shall be advised thereof in writing.

- C. With respect to any Buyer who is incorporated or based outside the United States, to the extent that such Buyer or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, or other legal process in any jurisdiction, Buyer for itself and its property does hereby irrevocably and unconditionally waive, and agree not to plead or claim, any such immunity with respect to its obligations, liabilities or any other matter under or arising out of or in connection with a purchase order or the subject matter hereof. Such agreement shall be irrevocable and not subject to withdrawal in any and all jurisdictions.
- D. No waiver, alteration or modification of these Terms and Conditions of Sale shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller.
- E. All proposals of Seller are subject to change at any time prior to Seller's acceptance of a purchase order and shall expire at the end of the validity period stipulated in each proposal. If no such period is stipulated then the proposal shall expire thirty (30) days from the date of issuance.
- F. The invalidity, in whole or in part, of any provision hereof shall not effect the validity of the remainder of such provision of any other provision hereof.
- G. Except as herein expressly provided to the contrary, the provisions of the document are for the benefit of the parties hereto and not for the benefit of any third party.
- H. The parties agree that neither will disclose any of the terms of this Agreement to a third party without prior written approval of the other party, except that:
- (1) To the extent required by government agencies and courts for official purposes, disclosure may be made to such agencies and courts. In such event, a suitable restrictive legend limiting further disclosure shall be applied;

- (2) The existence of the agreement and its general purpose may be stated to others by either of the parties without approval from the other.
- (3) Seller may disclose the terms of this Agreement to its affiliates.

- I. The English language shall be used in the interpretation and performance of these Terms and Conditions and any purchase order accepted by Seller.

- J. Any failure by Seller to enforce any of the provisions hereof or not to require at any time performance by Buyer of any of the provisions hereof, shall in no way affect the validity of these Terms and Conditions or any part thereof, or the right of Seller thereafter to enforce each and every such provision, nor shall Seller's actual performance, whether or not pursuant to the provisions herein, be deemed in any way indicative of the obligations of Seller hereunder.

- K. Exchange Hardware (Repair Only):

Part returned to the customer after maintenance may have been originally received from another customer, who is willing to accept repaired parts from a "pool" of other customer owned hardware. The customer must include the statement "Exchange" (or similar) on their repair purchase order accompanying the hardware.

Non-Exchange Hardware:

Part returned to the customer after maintenance is the same part originally submitted to Seller for repair from that customer. The customer must include the statement "Non-Exchange" (or similar) on their repair purchase order accompanying the hardware.

- L. Nothing contained in these Terms and Conditions shall convey to Buyer any right to use the trademarks of Seller or any affiliated company.

### **XVIII. - PMA PARTS**

Buyer shall release Seller from, and shall indemnify and hold Seller harmless from and against any and all claims, liabilities and losses whatsoever of any nature resulting from use of non-Unison parts provided by Buyer for installation into Buyer's Equipment or received as part of Buyer's Equipment and reinstalled by Seller during Repair under this Agreement, where such parts have been acquired from non-OEM-approved sources having an FAA Parts Manufacturing Authority ("PMA Part"). The Warranty provisions of Article X., "Warranty", above, shall not apply to PMA Parts. Seller does not warrant the condition of PMA Parts or the installation, maintenance, repair or overhaul of PMA Parts. At Seller's discretion, PMA Parts may not be eligible as a Trade-in Part for Seller's Rotable Pool.

**Unison Industries**  
**Standard Terms and Conditions of Sale**