

1. GENERAL

All maintenance and sales services on aircraft components including, but not limited to instruments, electronics, avionics or accessories (hereafter the "Equipment"), will be performed by NEDAERO (Seller), based upon the following terms and conditions. These terms and conditions shall be interpreted and governed in accordance with the laws of The Netherlands.

2. PURCHASE ORDERS

Purchase orders for maintenance services or sales services are subject to acceptance by Seller at its Zevenaar, The Netherlands, facility or any facility handling and/or processing such orders. The commencement of work on any order by Seller shall constitute an acceptance by Seller. Further the Seller is authorized to test Buyer's Equipment in accordance with testing procedures established and/or approved by the appropriate regulatory agency having responsibility for said procedures. Seller shall not be liable for any damage or loss sustained to Buyer's Equipment as a result of such testing procedures. No terms or conditions appearing on Buyer's purchase order that are contradictory to the terms and conditions hereof shall be binding upon Seller unless specifically agreed to in writing.

3. PAYMENTS

Seller shall submit to Buyer an invoice containing a statement of charges for Services performed or for any cost incurred by Seller on behalf of Buyer. Unless other terms have been specified in writing Buyer shall pay such invoice within 30 (thirty) days of the date of such invoice. In case of late payment Buyer shall, without any further reminder or summons, be obligated to pay interest of 1 % (one percent) per month on the outstanding balance as well as any judicial and/or extrajudicial costs expended as a result of said late payment. Extrajudicial costs shall be computed at a rate of 20 % (twenty percent) of the outstanding balance due. If Buyer is not paying its bills when due Seller may require full or partial payment as a condition prior to commencing or continuing Services or prior to shipping Equipment. Discontinuation of the Services on account of Buyer not fulfilling its payment obligations shall not release Buyer from its obligation to pay the full amount to which it would be entitled if the order would have been carried out fully. Seller shall be entitled to retain the Equipment on the account and at the risk of Buyer until its claim has been properly paid or until in Seller's opinion proper security has been furnished. In addition Seller shall have the right of pledge on the Equipment and all (other) property belonging to Buyer as security against all claims on Buyer arising from Seller's Services or otherwise. If in relation to any claim no payment has been made or proper security has been furnished within 30 (thirty) days after request or if the Equipment has not been removed from Seller's premises within 2 (two) months after Seller has summoned Buyer to remove it, Seller shall be entitled to sell the Equipment by private treaty or public action without court intervention and Buyer authorizes Seller irrevocably to do so. Any balance remaining after proceeds have been applied to eliminate the full amount due to Seller, including costs, interest and damages, shall be paid to Buyer forthwith.

4. TAXES

Buyer will pay and hold Seller harmless from any taxes (except for a tax upon or measured by Seller's net income), or other governmental charges imposed by any taxing authority required to be paid by Seller or Buyer as a result of maintenance services performed for Buyer.

5. WARRANTY

- A. **REPAIR:** Seller warrants that the services performed hereunder will be free from defects in workmanship. This warranty will apply to the Equipment for the period of 6 (six) months from the date of redelivery. The warranty on third party parts and materials will be the warranty as stipulated by Seller's suppliers. This warranty is limited to the parts previously replaced and labor is limited to the area previously serviced.
- B. **OVERHAUL:** Seller warrants that the services performed hereunder will be free from defects in workmanship. This warranty will apply to the Equipment for the period of 12 (twelve) months from the date of redelivery. The warranty on third party parts and materials will be the warranty as stipulated by Seller's suppliers. This warranty is limited to the parts previously replaced and labor is fully covered.
- C. **BENCH CHECK/NO FAULT FOUND:** No warranties will be accepted on bench checks, no fault found or recertification.
- D. **TEST EQUIPMENT AND TOOLING:** Warranty is limited to 30 (thirty) days.
- E. If a defect in Seller's performance of services under this warranty directly causes damage to the Equipment being serviced, Seller will restore the Equipment so damaged to the condition it was in at the time the damage occurred. Such restoration will be by replacement or repair at Seller's expense and option at Seller's facilities at Zevenaar, The Netherlands, or such other location as Seller may agree.

Seller's warranty obligation for services performed is subject to the following conditions:

- I. The warranted Equipment has been used under normal operating conditions as established by the Original Equipment Manufacturer, has not been subject to misuse, neglect, accident or ingestion of foreign material and has not been repaired or altered by anyone other than Seller.
- II. Buyer shall notify Seller in writing within 30 (thirty) days of the discovery of the malfunction and within the warranty period, whichever is earlier, of any warranty claim and the basis for such a claim.
- III. Buyer will ship, at its own expense and risk, the warranted Equipment to and from Seller's facility at Zevenaar, The Netherlands, or any such repair facility as mutual agreed upon by both parties in writing.

- F. The obligations set forth above and the obligations and liabilities of Seller there under are expressly in lieu of the serviced Equipment and Buyer hereby waives and releases Seller from any and all other warranties, agreements, guarantees, conditions, duties, obligations, remedies or liabilities, express or implied, arising

by law or otherwise, including without limitation any warranty of merchantability and performance hereunder and Buyer agrees that Seller will not be liable for any damage or loss (including, but not limited to, consequential damages) suffered by Buyer, directly or indirectly, whether in tort or contract, arising out of or in connection with Seller's performance under this agreement. No agreement or understanding varying, altering or extending Seller's liability hereunder will be binding on Seller unless in writing and signed by Buyer's and Seller's duly authorized officers or representatives.

- G. In no event will Seller's liability under this warranty exceed the price actually paid to Seller by Buyer for the services hereunder.

6. INDEMNITY AND RELEASE

- A. **RELEASE AND INDEMNIFICATION:** Buyer hereby releases and agrees to indemnify, defend and hold Seller, its directors, officers, employees or agents harmless from and against any and all liabilities, claims, demands, suits, damages and losses (including, without limitation, all attorney's fees, costs and expenses in connection therewith or incident thereto) for death of or injuries to any persons whomsoever (including, without limitation, Buyer's employees) and for loss of, damage to, destruction of or delay in the delivery of any property whatsoever (including, without limitation, aircraft of Buyer) in any manner arising out of or in any way connected with the Equipment and/or services provided by Seller hereunder, regardless of the negligence, active or passive or any other type, of Seller, its directors, officers, employees or agents provide, however, the foregoing indemnification will not apply to any such claim or liability resulting from the willful misconduct of Seller, its directors, officers, employees or agents. Buyer will, at the request of Seller, negotiate any claim or defend any action or suit brought against Seller or in which Seller is joined as a party defendant based upon any other matters for which Buyer has released and indemnified Seller as provided above.
- B. Seller will not be liable for loss of or damage to the Equipment or any other equipment coming directly or indirectly from Buyer, irrespective of whether it belongs to Buyer or whether it is in Seller's care. Buyer releases any rights it may have against Seller, its directors, officers, agents and employees and shall hold Seller free and harmless from third party claims for any loss and/or damage to the Equipment and other equipment referred to above in this paragraph in a similar way as indicated under Indemnity and Release, paragraph A.
- C. In no event will Seller's liability exceed the price actually paid to Seller by Buyer for the services hereunder.

7. FORCE MAJEURE

Seller will not be liable for any failure to perform or any delays in performance hereunder due to force majeure, inability to secure or failure of suppliers to deliver parts or materials, floods, explosions, fires, acts of war, or any other cause beyond Seller's control.

8. LIMITATION OF LIABILITY

Neither Seller nor Buyer will be liable to the other for any special consequential, incidental or exemplary damages of any kind whatsoever arising out of or in connection with Seller's performance or failure to perform under these terms and conditions.

9. EXPORT LICENSING

Seller will, on Buyer's request, apply for and use good faith efforts to obtain any Dutch Government export license or similar authorization which may be required now or hereafter for the exportation of any Equipment serviced by Seller but nothing herein contained shall be construed as imposing an obligation on Seller to furnish or obtain such a license or similar authorization or to be in any way responsible for its issuance or continuance in force if issued.

10. TERMINATION

If before completion of performance under these terms and conditions Buyer becomes insolvent, if a receiver of Buyer's assets is appointed, if Buyer takes any step leading to its cessation as a going concern or if Buyer either ceases or suspends operations for reasons other than a strike, Seller, at its option in any of such events, may terminate performance under these terms and conditions by giving Buyer written notice of its intention to do so.

Seller shall thereupon be relieved of any further obligations to Buyer and Buyer will pay Seller for any reasonable expenses Seller may incur on behalf of Buyer prior to such termination and those in connection with stopping work in progress following such termination. No such termination will affect any rights accrued hereunder prior to such termination.