

TURBINE STANDARD LTD.

STANDARD TERMS AND CONDITIONS OF SALE AND SERVICE

1. ACCEPTANCE

THESE TERMS AND CONDITIONS (“TERMS”) APPLY TO ALL GOODS AND SERVICES PROVIDED BY TURBINE STANDARD LTD., AN OHIO LIMITED LIABILITY COMPANY (“TURBINE STANDARD”), INCLUDING WITHOUT LIMITATION ENGINES, ENGINE PARTS, AND MAINTENANCE AND REPAIR SERVICES, BUT EXCLUDING ENGINE RENTALS. ANY ADDITIONAL, DIFFERENT, OR CONFLICTING TERMS OR CONDITIONS ON CUSTOMER’S PURCHASE ORDER, SPECIFICATIONS, OR OTHER DOCUMENTS ISSUED BY CUSTOMER SHALL BE WHOLLY INAPPLICABLE AND SHALL NOT BE BINDING IN ANY WAY ON TURBINE STANDARD. ACCEPTANCE OF CUSTOMER’S OFFER IS EXPRESSLY MADE CONDITIONAL ON CUSTOMER’S ASSENT TO THE TERMS. NO WAIVER OR AMENDMENT OF ANY OF THE PROVISIONS CONTAINED IN THESE TERMS SHALL BE BINDING ON TURBINE STANDARD UNLESS MADE IN A WRITING EXPRESSLY STATING THAT IT IS SUCH A WAIVER OR AMENDMENT AND SIGNED BY AN OFFICER OF TURBINE STANDARD.

2. ORDER PROCESS FOR ENGINE SERVICE

a. Customer’s delivery of an engine or engine assembly or parts to be serviced (“Engine”) at one of Turbine Standard’s fixed business locations, currently, Toledo, Ohio, and Fort Lauderdale, Florida (“Turbine Standard Location”) constitutes agreement by Customer for Turbine Standard to perform work on the Engine and to pay Turbine Standard for parts, labor, and other charges as provided in these Terms.

b. Alternatively, Customer’s oral or written request for a Turbine Standard technician or technicians to provide services at a location other than a Turbine Standard Location constitutes agreement by Customer for Turbine Standard to commence work on the Engine and to pay Turbine Standard’s charges for parts, labor, and other expenses as provided in these Terms.

c. If requested, Turbine Standard may provide Customer with an estimated range of possible charges before or after evaluating the Engine. An estimate is nonbinding on Turbine Standard. If advisable to meet turn times or delivery dates expressed by Customer, then Turbine Standard may order or install parts and perform labor and services without Customer approval of an estimate.

d. For services performed at a Turbine Standard Location, Customer is solely responsible for safely transporting the Engine to and from the Turbine Standard Location, unless Customer requests and Turbine Standard agrees to remove the Engine and/or arrange transportation as provided in Section 2.e below.

e. Notwithstanding Section 2.d., if Turbine Standard agrees to arrange for transportation of the Engine to or from the Turbine Standard Location, then Turbine Standard will either select third parties for transportation (such as common carriers or air charter services), or provide transportation directly. If Turbine Standard uses a third party, then Turbine Standard assigns to Customer its warranty and similar rights against such third parties with respect to such transportation, but Turbine Standard will have no other liability with respect to third party transportation. Unless requested by Customer in writing, Turbine Standard will not arrange for shipping insurance. If requested by Customer, Customer must reimburse Turbine Standard for shipping insurance.

f. For services provided at a location other than a Turbine Standard Location, Customer is responsible for providing Turbine Standard full and free access to the aircraft and Engine and a secure and suitable workspace. Customer is also responsible for roundtrip travel expenses of Turbine Standard personnel and equipment from a Turbine Standard Location to the jobsite.

g. If Customer rejects an estimate, or otherwise gives notice to Turbine Standard to stop work on an Engine, then Turbine Standard will cease work. Customer is responsible for payment of parts ordered or installed and labor and services performed prior to the date of notice. For services performed at a Turbine Standard Location, Customer remains responsible for inbound and outbound transportation of the Engine as provided in Section 2.d. For services performed away from a Turbine Standard Location, Customer is responsible for travel expenses as provided in Section 2.f.

3. PRICES

a. Prices for parts and labor shall be at the rates invoiced by Turbine Standard. Rates for parts, labor, and services shown on an estimate are valid for 30 days; provided, however, pricing and use of new, overhauled, serviceable, and/or repaired parts are subject to availability. Turbine Standard may in its discretion use new, overhauled, serviceable, or repaired parts.

b. Customer shall pay, in addition to the prices of parts and labor, a 1.5% shipping charge on any parts (or the amount specified on the estimate or invoice, if different), and a shop supplies charge of 2% of the labor charge. If Turbine Standard finds it advisable to replace Customer’s shipping crate, then Customer shall pay Turbine Standard’s standard charge for a replacement. Customer shall also pay the cost of any shipping (and, if requested, shipping insurance) arranged by Turbine Standard.

c. All parts are sold as an exchange of parts (unless specified as an outright sale on the estimate or invoice), and all exchanged core parts are the property of Turbine Standard. Core charges and/or scrap fees may be imposed, or increased

retroactively, after third party evaluation, depending on the condition of the exchanged core part. Turbine Standard reserves the right to reject, but has no obligation to inspect, customer-supplied parts. Customer supplied parts are subject to a handling fee.

d. Customer shall pay any applicable taxes (other than income taxes) and/or customs duties applicable to the sale of products or performance of services, or in lieu thereof, Customer shall supply Turbine Standard with an appropriate tax exemption certificate. (Ohio and Florida sales and use taxes do not generally apply to Turbine Standard's parts or labor.)

4. TERMS OF PAYMENT

a. Turbine Standard may require a deposit or prepayment in its sole discretion, which must be paid before work commences. Unless prepaid, payment in full is required prior to delivery of the Engine. All past due amounts accrue interest at the rate of 1.5% per month or the highest rate permitted by law, whichever is less. All payments shall be made to Turbine Standard at the address specified on the front of the invoice. Customer is not entitled to withhold any amounts due to Turbine Standard for taxes or any other reason. If Customer desires to pay by credit card or other method which imposes merchant processing or other fees on Toledo Jet, then Customer will additionally pay such fees (3% for credit card). Notwithstanding any designation by Customer, Turbine Standard may apply payments received from or on behalf of Customer toward any current or overdue invoice of Customer in any manner chosen by Turbine Standard.

b. If a project involves multiple Engines or multiple processes, Turbine Standard may invoice separately for each Engine or process. Each invoice shall be considered a separate and independent transaction.

5. DELIVERY

a. All shipments to or by Turbine Standard are FOB the applicable Turbine Standard Location. Risk of loss or damage to the Engine shall pass to Customer upon delivery to the common carrier at the Turbine Standard Location.

b. Customer acknowledges and agrees that turn times and delivery dates are estimates only. Turbine Standard will use commercially reasonable efforts to deliver in accordance with requested delivery dates, but Turbine Standard will not be liable for failure to deliver within the estimated time.

c. Any product or service sold or provided by Turbine Standard shall be deemed accepted by Customer upon use of the Engine by Customer or 30 days after delivery, whichever occurs first.

6. WARRANTY

a. Turbine Standard warrants that its workmanship is performed in accordance with the applicable provisions of the United States Federal Aviation Regulations, and will be free from defects in workmanship under normal operating conditions for a period of one (1) year after the date of completion, regardless of the date of first use by Customer. Turbine Standard assigns the manufacturer or vendor warranty for parts to Customer and will provide reasonable assistance in processing warranty claims, but does not otherwise warrant parts.

b. Turbine Standard shall, at its sole option, either repair or replace any item which did not comply with Turbine Standard's express warranty, but only if, during the applicable claim period:

i. Customer notifies Turbine Standard promptly in writing upon discovery of any alleged defect in the workmanship, including a detailed description of such alleged defect;

ii. Customer returns the affected Engine to Turbine Standard (Customer must pay for inbound and outbound shipping charges); or, at Turbine Standard's sole option, Customer promptly gives Turbine Standard the opportunity to inspect the Engine at Customer's location (Customer must pay for inbound and outbound travel by Turbine Standard's warranty representative(s)).

iii. Turbine Standard's evaluation of the Engine discloses to Turbine Standard's satisfaction that workmanship provided by Turbine Standard did not conform to warranty.

c. All warranty obligations of Turbine Standard are voided in the event of accident, incident, abuse, exposure to severe weather conditions, misuse, neglect, alteration, operation outside the manufacturer's recommendations, or any repair, service, or tampering by Customer or any third party after the time of delivery by Turbine Standard.

d. A Warranty claim shall not extend the original warranty period.

e. THE FOREGOING WARRANTY CONSTITUTES TURBINE STANDARD'S EXCLUSIVE LIABILITY, AND THE EXCLUSIVE REMEDY OF CUSTOMER, FOR ANY BREACH OF ANY WARRANTY OR OTHER NONCONFORMITY OF PRODUCTS OR SERVICES COVERED BY THESE TERMS. THIS WARRANTY IS EXCLUSIVE, AND IN LIEU OF ALL OTHER WARRANTIES. TURBINE STANDARD MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. THE SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE AS EXPRESSLY PROVIDED IN THIS SECTION 6.e.

7. LIMITATION OF LIABILITY

a. NO CLAIM, SUIT OR ACTION SHALL BE BROUGHT AGAINST TURBINE STANDARD MORE THAN ONE (1) YEAR AFTER THE DATE OF COMPLETION, REGARDLESS OF THE DATE OF FIRST USE BY CUSTOMER.

b. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, TURBINE STANDARD SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO CUSTOMER OR ANY THIRD PARTIES FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES WHETHER IN AN ACTION BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY, ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED HEREUNDER, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE, LOSS OF PROFITS, LOSS OF BUSINESS, AIRCRAFT OR ENGINE DOWNTIME, OR TRANSPORTATION, EVEN IF TURBINE STANDARD IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. THIS EXCLUSION IS INDEPENDENT OF, AND SHALL SURVIVE ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THESE TERMS.

c. UNDER NO CIRCUMSTANCES SHALL TURBINE STANDARD'S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO ANY TRANSACTION CONTEMPLATED HEREUNDER (INCLUDING BUT NOT LIMITED TO ANY WARRANTY CLAIMS), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT OR OTHERWISE, EXCEED THE FAIR MARKET VALUE OF THE ENGINE OR ENGINE PARTS AT THE TIME OF DELIVERY BY CUSTOMER TO TURBINE STANDARD.

8. LIEN; STORAGE CHARGES; ENFORCEMENT OF LIEN

a. Customer hereby grants to Turbine Standard a security interest and lien on any Engine, or other items ("Customer Property") delivered to Turbine Standard, to secure any obligations of Customer to Turbine Standard under these Terms, under any Turbine Standard invoice, or under any engine rental or other agreement by and between Customer and Turbine Standard, including reasonable attorney's fees, incurred by Turbine Standard in any action brought by Turbine Standard to collect payments owing or otherwise enforce its rights (collectively, "Customer Obligations").

b. Turbine Standard has the right, but not the obligation, to file evidence of its lien with the Federal Aviation Administration, with the relevant state authorities as a UCC-1 financing statement or otherwise, or under the Cape Town Convention on International Interests in Mobile Equipment. Upon Turbine Standard's request, Customer will execute any documents to perfect Turbine Standard's security interest in any Customer Property. Turbine Standard may refuse to release any Customer Property until all Customer Obligations are paid in full.

c. If Customer Property remains on Turbine Standard's premises more than 90 days after Turbine Standard has given Customer an estimate which Customer has not accepted, or more than 90 days after Turbine Standard has invoiced Customer, then Turbine Standard has the right to charge a storage fee, including without limitation on Customer Property that is retained by Turbine Standard in enforcement of its lien rights. The storage fee for a complete engine is USD \$1,000 per month. The storage fee for partial engines and smaller parts will be comparable based on the bulk of such items as stored by Turbine Standard.

d. If any Customer Obligations are not paid in full within 90 days after the due date, then Turbine Standard has the right, but not the obligation, to either sell any or all Customer Property in any commercially reasonable manner (which may include a sale to Turbine Standard at its reasonable value, "as is" and "where is"), and to apply the amount realized from such sale against the costs of sale as well as any amounts due from Customer to Turbine Standard under such invoice or any other Customer Obligation. Customer remains liable for any deficiency.

e. Turbine Standard's rights under this Section 7 are in addition to, not in lieu of, any rights of Turbine Standard under applicable law, including without limitation Section 1333.41 of the Ohio Revised Code or Chapter 329 of Florida Statutes and Article 9 of the Uniform Commercial Code.

9. BREACH

Any one of the following acts by Customer shall constitute a material breach of Customer's obligations hereunder:

a. Customer fails to make payment for any products or services in full when due;

b. Customer fails to accept conforming products or services supplied hereunder; or

c. Filing of a voluntary or involuntary petition in bankruptcy against Customer, the institution of any proceeding in insolvency or bankruptcy (including reorganization) against Customer, or an assignment for the benefit of creditors of Customer.

In the event of Customer's material breach, Turbine Standard may (in addition to any other rights or remedies provided herein or at law or in equity), by written notice to Customer, terminate its obligations or any part thereof, without any liability to Turbine Standard. Customer shall pay all costs, including reasonable attorneys' fees, incurred by Turbine Standard in any action brought by Turbine Standard to collect payments owing or otherwise enforce its rights.

10. FORCE MAJEURE

Turbine Standard shall not be liable hereunder due to any cause beyond its control, including but not limited to acts of God, acts of civil or military authority, fires, epidemics, floods, riots, wars, insurrection, sabotage, terrorism, labor disputes, governmental actions, or inability to obtain materials, components, energy, manufacturing facilities, or transportation. In the event of any such delay, the date of delivery or performance hereunder shall be extended by a reasonable period of time.

11. GENERAL

a. Turbine Standard estimates and charges for goods and services are confidential, proprietary information of Turbine Standard and may not be used or disclosed except for the purpose of purchasing goods and services from Turbine Standard.

b. Customer represents to Turbine Standard that it is either the owner of all Customer Property delivered to Turbine Standard, or the agent of the owner, in either case with full power and authority to enter into an agreement according to these Terms.

c. Electronic signatures are as valid as originals. An email, text message, or other electronic transmission from a representative of Customer accepting an estimate or otherwise authorizing Turbine Standard to perform services shall constitute Customer's signature.

d. Each of Customer and Turbine Standard agrees that it will comply with all applicable federal laws, regulations, and administrative rules of the United States, except as provided in Section 11.e below. Unless specifically agreed in writing by an officer of Turbine Standard, Turbine Standard does not represent or warrant compliance with any law, regulation, or administrative rule of any foreign governmental authority.

e. United States or foreign government procurement requirements and regulations (federal, state or local, including but not limited to, certified cost or pricing data, Cost Accounting Standards, Defective Pricing, and Audit requirements) shall not be binding upon Turbine Standard unless specifically agreed to by an officer of Turbine Standard in writing.

f. Any waiver by Turbine Standard of any default by Customer or of any remedy shall not be deemed to be a continuing waiver of such default or remedy, or a waiver of any other default or remedy.

g. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, it shall be deemed amended the minimum amount necessary to permit its enforcement.

h. These Terms, which include the documents incorporated by reference on the face hereof (but expressly does not include any of the terms and conditions of Customer's purchase order, specifications or any similar document issued by Customer) shall constitute the entire agreement between Customer and Turbine Standard with regard to the products or services sold hereunder, and expressly supersedes and replaces any prior or contemporaneous agreements, written or oral, relating to such products or services.

i. The validity, performance and construction of these Terms, and any disputes arising from or relating thereto any transaction governed by these Terms, shall be governed by Ohio law, without reference to conflict of law principles. All disputes shall be subject to the exclusive jurisdiction of the Court of Common Pleas of Lucas County, Ohio (or, if there is exclusive federal jurisdiction, the United States District Court for the Northern District of Ohio, Western Division), and Customer consents to the personal and exclusive jurisdiction and venue of these courts, and waives any objection it may now or hereafter have to venue or convenience of forum. Process in any proceeding arising out of or relating to any transaction governed by these Terms may be served anywhere in the world. The United Nations Convention on the Sale of Goods, Uniform Commercial Code, and Uniform Computer Information Transaction Act shall not apply to these Terms.

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