AIRCRAFT PROPELLER SERVICE, LLC ("APS-US")
TERMS AND CONDITIONS

THESE TERMS AND CONDITIONS APPLY TO THE FOLLOWING QUOTES OF APS-US, AS MAY BE AMENDED FROM TIME TO TIME (each a "Quote" and collectively the "Quotes"):

Work Order Quote: **Each and every present and future Work Order Quote (as amended)**

Sales Quote: **Each and every present and future Sales Quote (as amended)**

Exchange Quote: **Each and every present and future Exchange Quote (as amended)**

PAYMENT TERMS: **As stated in the applicable Quote**

1. Terms and Conditions: These Terms and Conditions of Sale ("Terms") are the only terms and conditions which govern all sales made by **APS-US** to **Customer** and constitute the entire agreement between **APS-US** and **Customer**. The Terms are posted online at www.aircraftpropeller.com/terms/customer-usa and are incorporated into, and are a binding part of, all Quotes and work with **Customer**. These Terms supersede and cancel any prior discussions, understandings, agreements, or representations (oral or written) between **APS-US** and **Customer**. **APS-US and Customer** hereby together exclude **Customer's** general or specific terms and conditions, even if their application has not been expressly rejected. No addition to or modification of these Terms shall be binding upon **APS-US** unless expressly agreed to by **APS-US** in writing, and, if these Terms are deemed an offer, acceptance is expressly limited to these Terms. No addition to or modification of these Terms shall be binding upon **APS-US** unless expressly agreed to by **APS-US** in writing.

2. Definitions: Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 20 below.

3. Quotations: **Customer** will purchase Products and/or Services from **APS-US** by accepting the written quotation provided by **APS-US** as a Work Order Quote, a Sales Quote, or Exchange Quote. These Terms will apply to each Quote and supersede any different or additional terms on the Quote (except to the extent the Quote specifies delivery dates and quantities, the ship-to and bill-to addresses, and the applicable price for each Product and/or Service). The Quote will be valid for thirty (30) days from the Quote Date as indicated on the Quote. **APS-US** may extend the Quote validity date, in its sole discretion, upon **Customer's** written request which is accepted by **APS-US** in writing. Delivery dates are determined from the date of each Quote and are estimates of the approximate dates of delivery, not a guarantee of a particular day of delivery. **APS-US** hereby reserves the right to stop work and submit a new Quote to **Customer** should further processing show any previously undetected fault or hidden condition which a visual inspection reasonably conducted at the time when the Quote was prepared would not have uncovered. If a new Quote is issued, any estimated ship date previously provided will be subject to a new agreed delivery date. **APS-US** will not conduct any additional work until **Customer** accepts and executes the new Quote. **Customer** acknowledges and agrees that in order to prepare the Quote, **APS-US** must incur costs to inspect, in accordance with any applicable manual, the components sent by **Customer**, so **Customer** hereby agrees to pay **APS-US** an inspection fee listed on the Quote (the "Inspection Fee"). In the event that **APS-US** stops work and submits a new Quote to **Customer**, **Customer** agrees to pay the Inspection Fee plus the cost of all part(s) and labor used or incurred by **APS-US** in performing Services prior to stopping work (the "Initial Costs").

4. **Purchase Price**: Customer will pay **APS-US's** price for Products and Services in effect at the time of shipment as set forth in the Quote (the "Purchase Price"). **Customer** shall be responsible for the payment of all taxes, withholding, duties, and other governmental assessments upon or with respect to the sale, purchase, use, receipt, or shipment of Customer Parts, Products, and/or Services (other than taxes based solely on **APS-US's** net income), including sales or use tax or similar taxes, provided that **APS-US** will not invoice **Customer** for taxes to the extent **Customer** has provided **APS-US** with evidence that **Customer** is exempt from paying and **APS-US** is exempt from collecting such tax. The Purchase Price shall be paid in U.S. Dollars. **APS-US** shall cooperate with **Customer** as reasonably requested by **Customer** to reasonably optimize tax effects. If **Customer** uses the **APS-US** Exchange program, the blade sent by **Customer** for an exchange must be in "similar condition" and have "equivalent market value" to the blade **APS-US** sends to **Customer**. It is solely in the determination of the internal policies of **APS-US** (as in effect from time to time) whether the **Customer** exchanged blade is in "similar condition" and has "equivalent market value" to the **APS-US** blade. If the exchanged blade is not in "similar condition" or does not possess "equivalent market value", then **APS-US** will charge an additional fee based on the difference in market value of the blades, which will be decided in the sole discretion of **APS-US**.

5. **Payment Terms:** Unless otherwise stated, **Customer** shall pay all amounts invoiced within 30 days from invoice date, unless such amounts are reasonably challenged by **Customer**, in which case **APS-US** and **Customer** agree to dedicate the proper resources and to cooperate, all so that the challenge is promptly resolved. **APS-US** may, at its sole discretion, agree to special terms for individual customers. If **APS-US** at any time determines that **Customer's** credit is not satisfactory, more restrictive terms (such as Cash-in-Advance or Cash-on-Delivery) may be applied at the sole discretion of **APS-US**. Payment shall be made by cash, check, wire transfer, or credit card (Visa, MasterCard, Discover and American Express). At **APS-US's** sole discretion, all sums not paid when due will accrue interest daily at the lesser of an annual rate of percent (12%), escalating to an annual rate of twenty-four percent (24%) after sixty (60) days past due or the highest rate permissible by law on the unpaid balance until paid in full (the "Late Payment Interest"). **Customer** shall have no right to offset or deduct any amount from the amounts owed to **APS-US** pursuant to any Quote. In any action by **APS-US** to enforce its right to payment against **Customer**, **APS-US** shall be entitled to recover its reasonable attorneys' fees, costs and Enforcement Expenses from **Customer**. **Customer** acknowledges and agrees that **APS-US** shall have the right to offset any amounts owed by **Customer** against any Products or **Customer's** parts ("Customer Parts") covered by a Service or by these Terms, or against any other Products or Customer Parts worked on by **APS-US** or sold by **APS-US** to **Customer**. **Customer** further acknowledges that **APS-US** may seize any Customer Parts provided to **APS-US** by **Customer** in respect of any Service, in order to satisfy delinquent amounts, provided such seizure is promptly lifted upon receipt of the outstanding amount. In addition, **APS-US** shall have a lien against all Customer Parts in **APS-US's** possession (for as long as such possession is maintained) to secure the payment of amounts owed to **APS-US** on any one or more Customer Parts regardless of whether **APS-US** still has possession of the Customer Parts for which amounts are owed.

6. **Customer Liability for Storage**: In the event that any Customer Parts remain at **APS-US**'s facility for more than thirty (30) days following the delivery by **APS-US** of the Quote and the **Customer** has not accepted the Quote, **Customer** shall pay to **APS-US** a fee of 1% of the amount of the Quote per day past day thirty (30) of the Quote date (the "Daily Fee") but the aggregated Daily Fees shall not exceed the total amount of the Quote. Daily Fees shall accrue until either of the following occurs, with the understanding that the Daily Fees shall nevertheless be due and paid by **Customer** in their accrued amount regardless of whether or not the following occur(s):

a. **Customer** executes and returns the Quote to **APS-US** and accepts the Terms; or
b. **Customer** Notifies **APS-US** that **Customer** desires such Customer Part to be returned.

Either of the above a. and b. options constitute a "Valid Customer Response." **APS-US** may waive Daily Fees if **Customer** notifies **APS-US** that **Customer** requires more time to evaluate the Quote and agrees with **APS-US** to a valid extension in calendar-days.

If **Customer** does not provide a Valid Customer Response within thirty (30) additional days, or sixty (60) total days following delivery of a Quote, **APS-US** may elect from the following two choices in its sole discretion, to which **Customer** hereby consents: ***First*, APS-US** may elect to return the Customer Part(s) and invoice **Customer** for all substantiated costs and expenses incurred in connection with the storage and return of the Customer Parts, including all Enforcement Expenses, all non-waived Daily Fees, all reasonable attorneys' fees, costs, and expenses, and all collection and/or shipping fees, costs, and expenses. ***Second,* APS-US** may enforce its lien against all Customer Parts (including without limitation on Customer Part(s) on which Daily Fees have accrued) as security for amounts owed under the rights stated in Section 8 below, provided that **APS-US** shall surrender such lien and the Customer Part(s) on which Daily Fees have accrued promptly upon receipt of the outstanding amounts owed on all such Customer Part(s).

Furthermore, **Customer** acknowledges and agrees that **APS-US** has the right to return, designate as scrap, destroy, and/or dispose any Customer Parts on which Daily Fees have accrued, with no recovery to **Customer** if a Valid Customer Response is not received by **APS-US** within three (3) months of delivery by **APS-US** of the Quote, or if **Customer** does not provide return shipping instructions, or if **Customer** does not provide adequate, advance payment of shipping expenses. In no case shall **APS-US** be required to allow a Customer Part designated as scrap to remain at an **APS-US** facility for more than three (3) months following delivery of Quote.

7. CMM Compliance: Over the course of repairs, if an attribute of a Customer Part exceeds the Component Maintenance Manual (CMM) limits or fails to meet CMM requirements (a "Failed Component"), the Customer Part is deemed scrap. In certain cases, there is a possibility that a Failed Component may be salvaged via application of proprietary, OEM-developed repair techniques. **APS-US** will make every commercially reasonable effort to salvage a Failed Component. Each Failed Component shall be judged based on its own condition and in comparison to the CMM. While these attempts are successful in some cases, there are other instances where these proprietary repair techniques are not able to salvage a Failed Component. In cases where a Failed Component remains in violation of both CMM and OEM engineering limits, **APS-US** will make its best effort to offer **Customer** a discounted replacement Product (serviceable or new) which meets the requirements of the current, applicable OEM Commercial Policy. **APS-US** shall promptly inform **Customer** if a Customer Part becomes a Failed Component, and keep **Customer** informed of any efforts to salvage such Failed Component as requested by **Customer**.

8. Security for Products: **APS-US** and **Customer** agree to the following rules on liens and lien enforcement:

A. Until **Customer** pays **APS-US** in full for all Products and Services covered by all Quotes, title to all Customer Parts and all Products, whether new or overhauled, which are covered by any Quote shall remain in **APS-US**.

B. **Customer** hereby grants a lien and security interest against **Customer's** right, title, and interest in all Customer Parts, Products, and property items of **Customer**, which are possessed or controlled by **APS-US**, shipped to **Customer**, serviced by **APS-US**, repaired by **APS-US,** or returned by **APS-US** to **Customer**, as well as all other property items belonging to **Customer** which are at any time in the possession or control of **APS-US** (each such Customer Part, Product, and property item a "Liened Part"). **APS-US** shall additionally possess: (i) a statutory lien under the Illinois Labor and Storage Lien Act (the "Lien Act"), (ii) all mechanic's lien rights (whether in equity, under the common law, or by statute), (iii) a possessory lien on all Customer Parts Products, and property items of **Customer**, all for so long as possession or control of such Customer Parts, Products, and property items is maintained by **APS-US**, (iii) a first-priority purchase money security interest to the extent applicable in all Customer Parts, Products, and property items of **Customer**, and (iv) in any and all other property items owned or controlled by **Customer** and within **APS-US's** possession or control at any facility or location owned or controlled by **APS-US**, all to secure the full and prompt payment of all amounts owed to **APS-US** by **Customer** (even amounts owed on Customer Parts, Products, or property items of **Customer** which have left **APS-US's** possession or control), and **Customer** agrees and undertakes to indemnify and hold **APS-US** harmless from any and all claims, losses, damages, or liabilities, including legal fees and costs, that may arise as a result of the retention, disposal, and/or sale of Liened Parts. Also, **Customer** expressly agrees and grants **APS-US** the right to retain and dispose or sell any or all Liened Parts in **APS-US's** possession or control. If **Customer** shall default in any payments or does not provide a Valid Customer Response, **APS-US** shall hold in and against the Liened Parts while in **APS-US's** possession or control all the rights and entitlements of: (i) a titleholder, (ii) a secured party under the UCC, (iii) a statutory lienholder, and (iv) a possessory lien holder under the common law or in equity (for clarity, on all Customer Parts, Products, and property items of **Customer** while in the possession or control of **APS-US**), in each case to secure the performance of all duties or obligations on which **Customer** has defaulted (whether or not the Customer Parts, Products, or other property items are in **APS-US's** possession or control), and also in each case without prejudice to the rights of **APS-US** under any law then in force.

C. **APS-US** may retain and deduct a sum as reasonable storage charges and any other expenses from any payments received by **APS-US** on account of the Purchase Price, whether **Customer's** default shall have occurred before or after delivery. Under UCC Section 9-610 and any other relevant law, **APS-US** may thirty (30) calendar days after payment is past due exercise its above-stated rights and lien rights by selling any Liened Part to any private party by a private sale. **APS-US** may file one or more financing statements to perfect its security interests in Liened Parts. If necessary, **Customer** shall execute such financing statements upon the request of **APS-US**, and hereby appoints **APS-US** as **Customer's** agent with authority to sign for **Customer** all such financing statements. **Customer** agrees that in the event **Customer** fails to pay in full any amounts due under any Quote within thirty-one (31) days after completion of **APS-US's** efforts under such Quote and notice to **Customer** of such completion, **APS-US** shall have the right to recover such amounts by: (i) selling ten (10) days thereafter any Liened Part then in **APS-US's** possession or control (whether Services have been performed on such Liened Part or not) at a private sale to a private party under UCC Section 9–610, or (ii) filing a lien notice with the Lake County, Illinois Recorder of Deeds and selling through foreclosure at public auction as allowed by the Lien Act any Customer Part, Product, or property item of **Customer** then in **APS-US's** possession or control, in addition to **APS-US's** rights under any rule of law**. Customer** expressly agrees to and irrevocably appoints **APS-US** as **Customer's** agent to effect such sale and transfer good title to any purchaser.

D. Any proceeds received by **APS-US** for selling one or more Liened Parts in excess of the amounts owed by **Customer** to **APS-US**, including substantiated amounts incurred by **APS-US** for storage, Inspection Fees, Late Payment Interest, Initial Costs, reasonable attorney's fees, interest, any expenses of sale, out of pocket expenses, amounts allowed under these Terms and under rule of law, and any expenses of enforcement of the rights of **APS-US** (the "Enforcement Expenses"), shall be remitted to **Customer**. **APS-US** reserves the right to ship Customer Parts and Products to **Customer** only if, in **APS-US's** sole opinion, **APS-US** possesses adequate security to collateralize the Customer Parts and the Products requested to be shipped by **Customer**. **APS-US** shall receive any requested additional collateral at any time if **APS-US** deems itself insecure. The rights of **APS-US** shall be cumulative with any other rights not stated in these Terms. **Customer** warrants and represents that these security rights of **APS-US** are first priority and are not subordinate to any other party. **APS-US** shall inform **Customer** of any charge, lien, mortgage, or other encumbrance that is attaching or may be attaching to a Liened Part. Subject to these Terms, **APS-US** shall cooperate as reasonably requested by **Customer** to nullify or release any such charge, lien, mortgage, or other encumbrance upon satisfaction of **Customer's** obligations on which **Customer** has defaulted, and payment to **APS-US** of all amounts owed to **APS-US** (whether on the Liened Parts or Customer Parts, Products, or Services).

9. Production; Shipping; Title and Risk of Loss: **APS-US** reserves the right to repair, produce and ship all or any portion of the Customer Parts and the Products specified in any Quote from any one or more of its plants or facilities. **APS-US** shall mark all Customer Parts and Products for shipment to **Customer's** address set forth on the Quote. All Customer Parts and Products are delivered Ex Works per INCOTERMS 2010 for international shipments **APS-US's** applicable warehouse or place of production. **Customer** shall include complete shipping instructions on the Quote. **APS-US** will use its reasonable commercial efforts to comply with such instructions, provided, however, if **Customer** does not designate a carrier or method of shipment, **APS-US** determines the carrier or method of shipment specified by **Customer** is unavailable, or **APS-US** reasonably determines the carrier or method of shipment is unsatisfactory for shipment of Customer Parts or Products, **APS-US** may designate the carrier or method of shipment. In the event of any such change, **APS-US** shall promptly notify **Customer**. Subject to these Terms, **APS-US** shall use its reasonable commercial efforts to fill promptly (by full or partial shipment) the Quote, insofar as practical and consistent with **APS-US's** then-current lead-time schedule, shipping schedule, access to supplies on acceptable terms, and allocation of available Products and capacity among **APS-US's** customers. Each partial shipment shall be deemed a separate sale and may be invoiced upon such shipment. **Customer** may not decrease, reschedule or cancel any Quote. Regardless of the shipping terms utilized, title to and risk of loss of the Customer Parts and the Products shall pass to **Customer** at the time the Customer Parts and the Products are placed in the possession of the carrier. Upon tender of delivery of Customer Parts and Products, **Customer** will provide **APS-US** with immediate telephone or e-mail notification of any alleged nonconformity, including any shortage or other discrepancy or situation which **Customer** believes may impair the value of the Customer Parts or the Products or justify payment of less than the amount invoiced for such Customer Parts and such Products. If notice is not so made within 48 hours after tender of delivery of Customer Parts or Products, then **Customer** shall be deemed to have accepted the Customer Parts and the Products as conforming in all respects and will submit to **APS-US** full payment therefor on or before the date set forth in Section 5 above. Within five (5) days after any such telephonic or e-mail notice described above, **Customer** will send **APS-US** a detailed written confirmation thereof and will attach all documents relevant to the alleged non-conforming Products. Any payment for less than the amount invoiced must be authorized in advance by **APS-US** through assignment of a credit/claim number. The assignment of a credit/claim number shall not constitute final approval of **Customer's** claim or constitute a waiver of any of **Customer's** obligations or **APS-US's** rights

hereunder. No Products shall be returned to **APS-US** without **APS-US's** written authorization. **Customer** shall pay a 12% restocking charge on all Products returned to **APS-US**, except if the return of a Product is caused by **APS-US** default.

10. Quality Assurance: **APS-US** will make every reasonable effort to meet any special quality assurance specifications and/or other requirements of **Customer** as long as they do not conflict with US Federal Aviation Administration requirements and directives.

11. Default: If **Customer** (a) fails to furnish shipping instructions for Products within the time specified, (b) fails to order any shipment of Products within the time specified therefor, (c) fails to supply adequate credit within the time specified, (d) fails or refuses to accept any shipment of Products properly tendered, (e) fails to tender any payment when due in accordance with these Terms and the terms of the applicable Quote, (f) is determined by **APS-US** to be likely to default on any such payment, including if **Customer** is unable, or states that it is unable, to pay its debts as and when they become due or if **APS-US** reasonably believes **Customer** will not pay its debts when due or where a receiver is appointed for all or any portion of the assets of **Customer**, (g) fails to provide a Valid Customer Response or (h) fails in any other respect to perform its obligations in accordance with these Terms, the occurrence of any of the events specified in clauses (a) – (h) above being deemed to constitute a material breach hereof if such material breach is not cured (if capable of being cured) within thirty (30) days thereof, **APS-US** may treat such default as (i) a total breach of the entire contract, or (ii) a breach only as to the individual shipment or installment, and, in addition to any other rights or remedies which **APS-US** may have at law or in equity or by statute, **APS-US** may (x) cancel the Quote, (y) terminate the Quote as to the portion thereof in default or as to any unshipped balance, or both, and/or (z) take possession of and sell, after ten (10) days, any of the Customer Parts and the Products which have been shipped and which **Customer** has wrongfully failed to accept or refused to accept, and receive from **Customer** the difference between the Purchase Price with respect to such Customer Parts and such Products and the sale price to a third party (if less), as well as Enforcement Expenses. If the sale price to a third party is more than the amount outstanding from **Customer, APS-US** shall promptly pay such excess to **Customer**. All rights and remedies of **APS-US** shall be cumulative and not exclusive of any other rights or remedies which **APS-US** would otherwise have at law or in equity. **Customer** shall cooperate with **APS-US** in **APS-US's** enforcement of its rights and remedies hereunder, including granting **APS-US** access to **Customer's** facilities for the purpose of retaking possession of any Customer Parts or any Products that are the subject of a default, and shall indemnify **APS-US** for all substantiated costs and expenses (including reasonable attorneys' fees and Enforcement Expenses) incurred by **APS-US** in connection with the repossession, transport and/or disposal of any Customer Parts or any Products that perish, become damaged or tainted, or otherwise become unsalable as a direct or indirect result of **Customer** default or **Customer** being unable or unwilling to accept delivery of such Customer Parts or such Products.

12. Descriptions and Specifications: To the extent permitted by applicable law, all descriptive specifications and other data furnished by **APS-US** or otherwise contained in catalogues or other advertising materials are approximate only and are intended to be merely a general description of Products and are not incorporated by reference into any agreement between **APS-US** and **Customer**, under these Terms or otherwise. To the extent permitted by applicable law, any description or visual representation or details of Product provided by **APS-US** to **Customer** are representative only, and the actual Product delivered may differ.

13. Limited Warranty; Limitation of Liability: **APS-US** represents and warrants to **Customer** that **APS-US** has the right to convey good title to Products sold pursuant to a Quote. EXCEPT AS EXPRESSLY SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE AND IN SECTIONS 13(A) AND 13(B) HEREOF, AS APPLICABLE, **APS-US** AND **CUSTOMER** HEREBY AGREE (i) THAT **APS-US** HAS NOT GIVEN ANY WARRANTIES OF ANY KIND WHATSOEVER BEYOND SUCH

SENTENCE AND SUCH SECTIONS, AND (ii) THAT ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS HAVE BEEN ALL EXCLUDED AND RENDERED INAPPLICABLE. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, IN NO EVENT SHALL **APS-US** BE LIABLE TO **CUSTOMER** OR ANY THIRD PARTY FOR ANY DIRECT OR INDIRECT DAMAGES WHATSOEVER INCLUDING DAMAGES FOR LOSS OF BUSINESS, LOST PROFITS, DAMAGE TO GOODWILL OR REPUTATION, BUSINESS INTERRUPTION, OTHER PECUNIARY LOSS OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY), CONTRIBUTION, INDEMNITY, SUBROGATION OR OTHERWISE, EVEN IF **APS-US** HAS BEEN ADVISED OR BECOME AWARE OF THE LIKELIHOOD OF SUCH DAMAGES. **CUSTOMER** ASSUMES ALL RISKS AND LIABILITIES FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY RESULTING FROM THE USE OR SUBSEQUENT SALE OF THE PARTS OR PRODUCTS OR SERVICES, EITHER ALONE OR IN COMBINATION WITH OTHER ITEMS. WITHOUT LIMITING THE FOREGOING, **APS-US'S** MAXIMUM LIABILITY HEREUNDER WILL NOT EXCEED THE AMOUNT ACTUALLY PAID TO **APS-US** FOR THE PARTS, PRODUCTS, SERVICES, OR ITEMS SUBJECT TO THE CLAIM. THE PARTIES HERETO AGREE THAT THIS PROVISION SHALL SURVIVE EXPIRATION OR TERMINATION OF THESE TERMS.

A. **No Warranty for New Products or Propeller Control Unit Repairs**: **Customer** acknowledges and agrees that all new Products and all propeller control unit repairs are sold and made *"AS IS, WHERE IS, ALL FAULTS (IF ANY) INCLUDED" BUT FREE OF ALL LIENS, MORTGAGES, CHARGES OR OTHER LEGAL ECUMBRANCES (EXCEPT THOSE IN FAVOR OF **APS-US** PER THESE TERMS), AND THAT NO WARRANTY OF ANY KIND IS GIVEN BY **APS-US**, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE*. **Customer** acknowledges that when **Customer** is purchasing new Products from **APS-US** in **APS-US's** capacity as a distributor of such products for the manufacturers of such products. **Customer** acknowledges that it will look solely to the warranty(ies), if any, provided by the manufacturer and that **APS-US** makes no warranties on its own behalf hereunder.

B. **Limited Warranty for Exchangeable Products and Overhaul Condition Products**. **APS-US** warrants that the Products received by **Customer** pursuant to an Exchange Quote and all overhaul condition Products repaired by **APS-US** are at the time of delivery and to the extent of the repairs performed, free from defects in material and workmanship. No warranty is made with respect to (a) any Product that has been subject to negligence, accident or improper storage; (b) any Product that has been improperly installed or maintained; or (c) any Product that has been operated beyond normal or manufacturer recommended replacement intervals. **APS-US's** obligation under this warranty is limited to the repair or replacement of, or at **APS-US's** option, the return of the Purchase Price of any Product returned to **APS-US** or its designated representative (at **Customer's** sole cost and expense) within one (1) year from the date of purchase and which, upon inspection by **APS-US** is found by **APS-US** to be defective in material or workmanship. **APS-US** shall not be responsible for the labor cost of removal for any defective product, or installation of any replacement product.
THE AFORESAID WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

14. **Exclusive Remedy**: **Customer's** exclusive remedy and **APS-US's** sole liability for a nonconforming Product or Service, including for breach of the limited warranty set forth in Section 13 above, is expressly limited to, at **APS-US's** discretion, a refund of the Purchase Price paid by **Customer** with respect to such nonconforming Product or Service, or repair or replacement of such nonconforming Product or the Customer Part on which nonconforming Service was performed. All nonconforming Products, at **APS-US's** option, shall be either (a) returned to **APS-US**, at **APS-US's** expense, or (b) disposed of by **Customer** in a manner mutually acceptable to **APS-US** and **Customer** with all reasonable costs of disposition to be paid by **APS-US**. **Customer** shall not return or dispose of any Product except upon receipt of, and in accordance with, instructions provided by **APS-US**. **Customer** shall properly store all such Products in accordance with industry standards while awaiting such instructions from **APS-US**. **CUSTOMER** EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE REMEDIES GRANTED TO **CUSTOMER** BY THESE TERMS ARE **CUSTOMER'S** SOLE AND EXCLUSIVE REMEDIES WITH RESPECT TO ANY CLAIM BY **CUSTOMER** IN CONNECTION WITH OR RELATING TO THE PRODUCTS OR TO THE SERVICES.

15. **Indemnity**: **Customer** will indemnify, defend, and hold harmless **APS-US** and affiliates, the assignees of each, and their respective directors, officers, managers, agents, employees, and privies from and against all liabilities, claims, losses, and damage of any nature, including without limitation, all expenses (including attorneys' fees), costs, and judgments incident thereto, or incident to successfully establishing the right to indemnification, for (i) injury to or death of any person or persons, including, without limitation, officers, agents and employees of **Customer**, but not employees of **APS-US**, (ii) loss or damage to any property, including, without limitation, any aircraft or part thereof, (iii) loss of use, revenue or profit with respect to any aircraft, part thereof, or other thing, and (iv) any other direct, indirect, incidental, consequential, economic, or statutory damages, any of which arise out of or are in any way related to the delivery of Products or to the performance of Services, use by **Customer** of **APS-US's** technical instructions, the provision of any **APS-US** information or use thereof, or any other item provided under the Quote, whether or not arising in tort or occasioned in whole or in part by the negligence or other fault of **APS-US**, whether active, passive or imputed, but excluding willful misconduct. **Customer's** obligations under this indemnity will survive the expiration, termination, completion or cancellation of the Quote.

Customer expressly waives any immunity under any workers' compensation or industrial insurance, whether arising from any rule of law or source, to the extent of the indemnity set forth in this Section.

16. **Force Majeure**: **APS-US** shall not be liable to **Customer** for, and shall not be deemed to have breached these Terms in the event of, any failure or delay in performance when such failure or delay is caused by conditions beyond **APS-US's** reasonable control, including war, strike, labor dispute, fire, flood, earthquake, tornado, hurricane, sovereign economic difficulty, government action or intervention, embargo or blockade, explosion, terrorist threats or acts, civil unrest, shortage of raw materials, breakdown, shortage, power outage, or non-availability of transportation facilities or equipment, any other event or circumstance not within the reasonable control of **APS-US** (including but not limited to actions or omissions of **Customer**), or any other national or regional emergency or act of God. If **APS-US** declares a force majeure event as provided for hereunder, the applicable Quote shall continue in effect for a period of thirty (30) days from such declaration. After the expiration of such thirty (30) day period, **APS-US** may cancel any unperformed portion of the Quote upon written notice to **Customer** without liability to **Customer**.

17. Confidential Information; Duty Not to Disclose: Each party agrees that it shall not use or disclose, or permit the use or disclosure of, the other party's Confidential Information, except as required by these Terms. All use or disclosure of Confidential Information shall be for the sole and exclusive benefit of the party providing it. Either party shall obtain the other party's written consent prior to any publication, presentation, public announcement or press release concerning its relationship as a party to these Terms, and shall not disclose the terms of any Quote accepted by **APS-US** other than to such of its employees who have a need to know such information in the ordinary course of business or performance of the work covered by the Quote. The parties hereby acknowledge and agree that money damages are not a sufficient remedy for any breach of this Section 17 or Section 18 below, and that the aggrieved party shall in each instance be entitled to injunctive or other equitable relief to remedy any such breach or threat of breach by the breaching party, all without having to prove actual damages and/or to post bond or other form of security. Both parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction and venue of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York for any action permitted or initiated under this Section 17 or Section 18 below.

18. Intellectual Property Rights: All Intellectual Property Rights of either party hereto, and all modifications thereto, shall at all times be and remain the sole and exclusive property of such party, and neither these Terms nor any Quote submitted by **Customer** hereunder shall constitute a license to either party to use or display the Intellectual Property Rights of the other party, except to the limited extent necessary in connection with its performance under any such Quote.

19. Export Laws; Compliance with Laws: **Customer** acknowledges that sales of the Products may be subject to export and import control laws, restrictions and regulations imposed by the United States, the European Union or other non-US agency or authority. **Customer** shall comply with all applicable statues and government rules, regulations and orders, including all applicable export and import laws, restrictions and regulations of the United States, the European Union or other non-US agency or authority (including advising **APS-US** of any requirements of the same to the extent relevant to **APS-US's** performance under these Terms and the Quote), the Export Administration Regulations, International Traffic in Arms Regulations and all regulations and orders administered by the U.S. Department of Treasury, Office of Foreign Assets Control, the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act and any other anti-bribery laws and regulations of any applicable jurisdictions, including obtaining all necessary licenses or other permissions in connection with the import, export or re-export of Products, and shall not to import, export or re-export, or allow the import, export or re-export of, any Product in violation of any such laws, restrictions or regulations. **Customer** shall be responsible for obtaining all required authorizations and necessary licenses required to perform its obligations under these Terms and any Quote. **Customer** hereby certifies to **APS-US** that neither it nor any of its customers is on any U.S. government restricted parties list or similar list and that is has obtained any and all necessary licenses or other permissions in connection with the import, export or re-export of Products.

Solely for purposes of this Section 19:

A reference to **"APS-US"** shall mean Aircraft Propeller Service, LLC, an Illinois limited liability company and each of its parents, subsidiaries and affiliates (which shall include any corporation or entity which, directly or indirectly, controls, is controlled by or is under common control with, Aircraft Propeller Service, LLC), and each of their respective successors and assigns, individually and collectively.

A reference to **"Customer"** shall mean the **Customer** identified in the Quote and that **Customer's** subsidiaries, affiliates, and business entities controlled indirectly or directly by that **Customer**, or under common control with that **Customer**, and that **Customer's** owners, parent entities, partners and shareholders, and any and all businesses, entities, enterprises, and organizations in which that **Customer** has any ownership, voting or profit and loss sharing percentage interest.

20. General:

(a) Notwithstanding the expiration or termination of these Terms or any Quote, any rights and obligations which by their nature extend beyond such expiration or termination shall survive such expiration or termination.

(b) These Terms and the Quote will be construed in accordance with, and all disputes will be governed by, the laws of the State of New York and United States of America, without regard to its conflict of laws principles or rules. The parties specifically waive application of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The word "including" shall mean including without limitation. Should a dispute arise which is not resolved amicably by the parties within a reasonable time after it arises, the parties agree to resolve the dispute through arbitration according to the "Rocket Docket Arbitration" rules attached to these Terms as **Exhibit A.** Should **Customer** take any action or inaction whose effect may be to thwart the operation of the Rocket Docket Arbitration rules as written in **Exhibit A**, **APS-US** shall be entitled to have such rules specifically enforced by mandatory injunction or other equitable relief rendered by the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, to whose exclusive jurisdiction and venue **Customer** hereby irrevocably and unconditionally submits.

(c) Any notice to be given under these Terms will, unless otherwise provided herein or in the Quote, be in writing and addressed to the party at the address stated in the front of the Quote. Notices will be deemed given and effective (i) if personally delivered, upon delivery, (ii) if sent by an overnight service with tracking capabilities, upon receipt; (iii) if sent by facsimile or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal; or (iv) if sent by certified or registered mail, within five days of deposit in the mail.

(d) If any court of competent jurisdiction holds that any provision of these Terms or of any Quote is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of these Terms and/or of the Quote will not be affected or impaired, and all remaining terms hereof or of the Quote shall remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.

(e) No course of dealing or failure by either party to strictly enforce any term, right or condition of these Terms or a Quote will be construed as a waiver thereof. Any purported waiver by either party will only be enforceable if in writing signed by such party, and will not be deemed to waive any later breach of the same or any other term, right or condition. These Terms and any Quote may not be amended except by written agreement of **Customer** and **APS-US** expressly referring thereto.

(f) **Customer** shall not assign any Quote or any interest therein without **APS-US's** prior written consent. Any attempted assignment in violation of the foregoing shall be void and of no force or effect.

(g) A reference to "law," "regulation," or other legal rule of any nature within these Terms shall mean all rules of law made applicable under the common law, in equity, or by statute.

(h) All capitalized terms used in these Terms, to the extent not defined elsewhere in these Terms, shall have the following meanings:

i) "**APS-US**" means **Aircraft Propeller Service, LLC**, an Illinois limited liability company.

ii) **"Confidential Information**" means either party's (in the following the "Provider's") commercial, business and/or technical information, such as its business plans (including its contemplated future business and prospects), operations, specifications, formulas, processes, methods, inventions, concepts, ideas, applications, ingredients, recipes, know-how, discoveries, technology, intended use or sale of products, capabilities, systems, pricing, controls, standards, customers, suppliers and any other information that the Provider regards as confidential, proprietary or private in nature, all of which is the valuable property of the Provider, including the Provider's trade secrets and certain proprietary, technical and business information furnished to the Provider by third parties on a confidential basis. Provider's Confidential Information includes all Provider's Confidential Information to which the other party (in the following the "Receiver") may become privy, whether in writing, oral, by visual observation, or any other form, even if not marked as confidential, restricted, proprietary or other similar designation. Provider's Confidential Information supplied by Provider to Receiver prior to the issuance of the Quote shall be considered in the same manner and be subject to the same treatment as Provider's Confidential Information made available after the issuance of the Quote. Provider's Confidential Information shall not include information that (a) was in Receiver's lawful possession prior to its receipt of the same from Provider without Receiver knowing or having a reason to know that such information was subject to an obligation of confidentiality owed to Receiver; (b) is now or becomes generally available to the public through no illegal or unauthorized act or omission on the part of Receiver or Receiver's employees; (c) Provider has provided to Receiver but is later received by Receiver without restriction from a third party who was not reasonably known to Receiver to be in breach of an obligation of confidentiality owed to Provider in respect of such information; or (c) is or was independently developed by Receiver's employee(s) to whom Provider's Confidential Information was not divulged or available.

iii) "**Customer**" means the **Customer** identified in the Quote.

iv) "**Intellectual Property Rights**" means any and all: (i) copyrights and other rights associated with works of authorship throughout the world, including moral rights and mask works, and all derivative works thereof; (ii) trademark, service mark and trade name rights and similar rights; (iii) trade secret rights; (iv) patents, designs, algorithms, utility models, and other industrial property rights, and all improvements thereto; (v) all other intellectual and industrial property rights (of every kind and nature throughout the world and however

designated, including rights in inventions, processes, techniques, recipes, formulas, know-how and methods) whether arising by operation of law, contract, license, or otherwise; (vi) all registrations, applications, renewals, extensions, continuations, continuations in part, divisionals, or reissues thereof now or hereafter in force (including any rights in any of the foregoing); (vii) any and all improvements, enhancements, modifications, or alterations thereto or thereof; (viii) all tangible embodiments or descriptions of any of the foregoing regardless of medium, and (ix) in each case or item covered by (i) to (viii), as now or hereafter existing.

v) "**Products**" means, individually and collectively, **APS-US's** currently generally available new or overhauled aircraft propeller parts, subassemblies and propeller controls and any other products now or hereafter sold or provided to **Customer** by **APS-US** (or by a party acting by, through, or for **APS-US**) pursuant to any present or future Quote.

vi) **"Services**" means, individually and collectively, the repair and/or overhaul of aircraft propeller parts, Customer Parts, propeller controls, governors and subassemblies, hub, blade and fiberglass components and any other service now or hereafter sold or provided by **APS-US** (or by a party acting by, through, or for **APS-US**) to **Customer** pursuant to any present or future Quote.

vii) **"UCC**" means the New York Uniform Commercial Code.

(i) Each party represents and warrants to the other party that:

i) It has the corporate power and authority to enter into and perform, and has taken all necessary corporate action to authorize the entry into, performance and delivery under, a Quote;

ii) an agreed Quote (when combined with these Terms) constitutes its legal, valid and binding obligations enforceable in accordance with the provisions contained in the Quote and in these Terms;

iii) the entry into and performance of a Quote (when combined with these Terms) do not and will not conflict with any laws binding on it or conflict with its constitutional documents or conflict with or result in default under any document which is binding on it.

(j) **APS-US** represents and warrants to **Customer** that as far as concerns the obligations of **APS-US**, all certificates, authorizations, consents, registrations and notifications required in connection with the entry into, performance, validity and enforceability of a Quote (when combined with these Terms) and the Products and Services contemplated by such Quote have been obtained or effected and are in full force and effect.

(k) The representations and warranties in (h) and (i) above are deemed to be repeated by each party whenever a Quote covering a Product or a Service is combined with these Terms, and the Product or Service is thereafter delivered or provided by **APS-US** to **Customer**.

We greatly appreciate the opportunity to work with your organization. Please sign below signifying your acceptance of these Terms. A facsimile or electronically signed copy of these Terms may be accepted as an original, and that facsimile or electronic copy of the parties' signatures may be treated as original and admissible evidence of these Terms. The signed copy of these Terms may then be sent via email or facsimile to our office.

Please feel free to contact us at any time with any questions you may have.

Aircraft Propeller Service, LLC	**Customer**
_____	_____
Name:	Name:
Title:	Title:

Exhibit A
to
AIRCRAFT PROPELLER SERVICE, LLC
TERMS AND CONDITIONS

Rocket Docket Arbitration Rules

1. Both parties agree that their dispute shall be finally resolved by binding arbitration in accordance with the provisions below.
2. The arbitration shall be conducted before a tribunal of three (3) arbitrators, one of which shall be selected by **APS-US**, one of which shall be selected by **Customer**, and the third of which shall be selected by the two (2) arbitrators so selected.
3. **APS-US** and **Customer** shall each designate an arbitrator within thirty days (30) days after failure to resolve the dispute amicably to the satisfaction of both parties, and the third arbitrator, who shall have knowledge and experience in the application of New York law, shall be selected within forty (40) days after the date the second arbitrator is designated.
4. Following designation, a party and the arbitrator it designated shall not communicate about any subject relating to the dispute except that the party and its designated arbitrator may communicate concerning the identification and selection of the third arbitrator.
5. Upon selection of the third arbitrator, all arbitrators shall serve in an impartial and neutral capacity. Each party's designated arbitrator shall be knowledgeable of the aerospace industry. No arbitrator shall have a direct or indirect personal or financial interest in the result of the arbitration.
6. Within twenty (20) days after the date the 3rd arbitrator is selected, the arbitral tribunal shall issue a scheduling order specifying: (i) a deadline (which shall not be more than thirty (30) days from the date of the scheduling order) for the parties to simultaneously submit respective statements of position to the arbitral tribunal and to each other, each of which statements shall not exceed twenty (20) pages in length; (ii) a deadline (which shall not be more than twenty (20) days after the deadline in the immediately preceding subclause (i)) for the parties to submit simultaneous replies to the initial statements of position, each such reply not to exceed ten (10) pages; and (iii) a date for a formal arbitration hearing to be held before the arbitral tribunal, such hearing to be held no later than thirty (30) days after the deadline in the immediately preceding subclause (ii), which hearing may last no more than eight (8) days, and to be conducted according to the rules of evidence then applicable to evidentiary hearings conducted in the federal trial courts situated within the State of New York.
7. Each party shall have up to two days to present its case to the arbitral tribunal and up to two days to oppose the other party's case, in each instance through: (i) oral presentation; (ii) documentary and real evidence; and/or (iii) examination and cross-examination of witnesses.
8. At the conclusion of such hearing, the dispute shall be deemed submitted to the arbitral tribunal for decision, and the arbitral tribunal shall issue its award no later than forty-five (45) days after such submission.
9. The arbitral tribunal shall issue a reasoned award, which shall specify the arbitral tribunal's findings of fact, legal conclusions and the reasons for such award, with reference to and reliance on relevant legal and factual authority as provided below.
10. The award shall be final, non-appealable, and binding between the parties and shall be enforceable by any court having jurisdiction over the party against whom enforcement is sought.
11. The parties agree to abide by and perform any award rendered by the arbitration panel.
12. The arbitration hearing shall be held in Chicago, Illinois. The arbitral tribunal shall, in all respects, follow the substantive law of the State of New York. Any provisions of New York law: (i) requiring the application of laws of another jurisdiction; or (ii) regarding choice of law, shall not apply. The

United Nations Convention on Contracts for the International Sale of Goods shall not apply in any respect.

13. The language of the arbitration proceedings shall be in English.
14. The arbitral tribunal may hold such pre-hearing conferences or adopt such other procedures, including reasonable discovery, as the parties may agree in writing or as the arbitral tribunal may order, so long as such conferences and discovery do not alter the deadlines and limitations specified above.
15. The right to reasonable examination of opposing witnesses in oral hearing will not be denied, and each party shall have the right to call lay and expert witnesses as each party wishes, all subject to the deadlines and limitations stated in the provisions.
16. The arbitral tribunal shall not be empowered to assess costs and expenses (including reasonable attorneys' fees and arbitrators' fees) to the prevailing party in the arbitration.
17. All fees and expenses of the arbitral tribunal shall be shared equally by the parties and each party shall bear its own costs of counsel, experts, witnesses and preparation, and presentation of proofs.
18. All confidential, proprietary or trade secret information disclosed during the dispute resolution process provided for in these provisions shall remain confidential. Neither party shall disclose the existence or content of any dispute or claim or the results of any dispute resolution process to third parties other than outside tax, accounting, and legal consultants and any expert witnesses, except with the prior written consent of the other party and except through legal process as permitted by applicable law.
19. The procedures specified in these provisions shall be the sole and exclusive procedures for the resolution of disputes between **APS-US** and **Customer** arising out of or relating to their agreement as embodied in the Quote and Terms out of which the dispute has arisen, or the breach, termination, or validity thereof, or the transactions contemplated thereby.
20. **APS-US** and **Customer** acknowledge and agree that the above procedures are equitable to both parties and comply with all applicable laws and conventions.