

Aero Maintenance Group General Purchasing Terms and Conditions

1 - PURPOSE

These General Purchasing Terms and Conditions define the basic legal relationships between Aero Maintenance Group, LLC along with its subsidiaries (Aero Technologies, LLC., Air-Pro, LLC., American Composites, LLC., Flite Components Division of American Composites, LLC and Precision Electronics LLC) (collectively ("AMG")) and its suppliers ("Supplier") for the purchase of all goods and/or services ("Supplies"). They may be supplemented by additional agreements in individual orders. Any change and supplements must be made in writing to be valid. Any conflicting general business terms and conditions are inapplicable even if they are not expressly contradicted in a particular case.

2 – ORDER AND SPECIFICATIONS

To place an order, AMG may use paper forms, telegrams, fax or electronic data interchange in any format whatsoever in compliance with AMG's current applicable orders form. Orders shall be deemed accepted by the Supplier for all aspects unless otherwise stated by the Supplier within ten (10) calendar days from its acknowledgement of receipt of the order. The technical specifications of the Supplies will be duly set out on the order or on a specification document notified to the Supplier. Orders shall in no event confer any exclusive rights of supply to the Supplier.

AMG shall be entitled to inspect the Supplies or have them inspected at any time during and/or at the end of their manufacture by the Supplier. The Supplier shall be responsible for effective quality control. The Supplier shall allow officials designated by AMG as well as other competent governmental authorities to inspect the Supplies prior to delivery and shall grant them all facilities required for this purpose.

The Supplier is subject to obligations arising from all domestic and international laws and regulations pertaining to labour protection, working conditions and environmental protection.

3 – DELIVERY, ACCEPTANCE AND DELAYS

A packing slip made out in two (2) copies shall be enclosed with any and all shipments, one copy of this packing slip shall be placed inside the package and another outside the package in a waterproof envelope. Such packing slip shall mention the purchase or repair order number, the item reference numbers, the references, descriptions and quantities. The conformity certificate and the test records, if any, shall also be included in the delivery.

The Supplier shall apply all current regulations of the regulatory authorities at the time of the shipment and relative to the compliance and/or airworthiness documents which it hereby undertakes to affix to the shipment. For the Supplies of aeronautical parts, the Supplier shall apply ATA 300 packaging standards as a minimum. For the Supplies having a limited period of conservation and/or lifespan, the Supplier shall :

- specify the total validity period before use, calculated from the time of manufacture,
- indestructibly affix on the container the expiry date, which shall in all cases satisfy the requirement of a residual use validity of at least eighty percent (80%) of the total validity period. The receipt given to the carrier shall not be deemed to constitute a definitive acceptance of said shipment by AMG. The Supplies delivered shall be inspected and approved by AMG within a reasonable period after delivery. Supplies which do not fully meet AMG's requirements may be rejected, in which case AMG shall give notice of the rejection to the Supplier. AMG may, at its own option and without prejudice of any damages it might seek, either refuse the delivery and request replacement free of charge, or accept the delivery in return for a deduction, or cancel all or part of the order with reimbursement of the sums already paid and expenses incurred. After communicating its rejection of the Supplies, AMG may retain the Supplies in its possession at the risk of the Supplier until further instructions have been received from the Supplier, or may return the Supplies to the Supplier at the expense and risk of the latter. In the event of a delay on the part of the Supplier, AMG is entitled to make full use of its legal rights.

4 - PRICE AND PAYMENT

The prices referred to in the order are fixed prices, unless agreed otherwise beforehand. Alterations shall be permissible only if they have been explicitly approved by AMG in writing. In so far as the delivery conditions are stated to be "free" on the order, the prices shall be deemed to be free place of delivery. Transport to the place of delivery shall therefore take place explicitly at the risk and expense of the Supplier.

Payment shall be made upon presentation of an invoice and detailing the order, the item, the packing slip, the place of delivery and any other detail required by current laws. AMG will refuse invoices that do not refer to a specific order. Each invoice shall be sent to AMG at the address mentioned on the order and correspond to one order exclusively. In the event that AMG should have approved partial delivery, the invoice shall bear an appropriate indication. Invoices not complying with the above requirements may be returned to the Supplier. Invoices shall be paid within forty-five (45) days end of month date of the invoice, unless otherwise stated in legal or contractual provisions. In the event of early delivery without the prior consent of AMG, payments shall be made in accordance with the period of time specified on the order. Unless otherwise stated on the order, no down-payment shall be made at the time of the order.

If the Supplier manufactures special tools or equipment in connection with an order placed by AMG, the costs thereof are deemed to be included in the agreed price unless explicitly agreed otherwise. The costs of manufacture shall, however, be specified separately on the invoice. If it has been agreed that the costs of special tools and equipment will be amortized over the present and future orders, the part chargeable to the present order shall likewise be specified separately, stating the total amount of said costs and the number of units over which the total costs have been or will be amortized.

Special tools and equipment manufactured by the Supplier become the property of AMG and shall be placed at its disposal immediately upon request as soon as AMG has paid the costs thereof in full. If full payment for such tools and equipment has not yet been made, AMG shall be entitled to purchase them at the cost price less the amounts already paid.

5 - WARRANTY

After receipt of the Supplies and for the period mentioned on the order, the Supplier warrants to AMG that the Supplies are free of any design, material, manufacturing or operating defects, in conformity with the descriptions, specifications, plans or samples, and correspond to the planned destination and use.

The present warranty includes but is not limited to repair or replacement of the defective Supplies and the round-trip transport for repair or replacement, including packaging and insurance, free of charge for AMG. The repaired or replaced Supplies shall benefit from the residual duration of the warranty which shall be no less than twelve (12) months.

In so far as the Supplier relies on the advice of AMG officials for the method of manufacture, it is explicitly provided that such advice shall in no way detract from the Supplier's responsibility to deliver Supplies which are suitable for the purpose for which they are intended. No warranty is given by the Supplier in respect of defects in the material in so far as the material has been supplied by AMG itself, or in respect of the method of manufacture given by AMG if the Supplier has strictly complied with such directions.

Supplier shall provide at any time, upon AMG request, a copy of a given Material Safety Data Sheet (MSDS) by email or other normal non-Order related

communication. Supplier shall forward such requested MSDS copies in the manner and to the destination specified by AMG.

6 – INTEGRITY CLAUSE

The Supplier assure to observe the laws aimed at combating corruption. In particular the Supplier shall assure that he will not offer, promise or grant illegal advantages to employees of AMG, their relatives or any other persons close to AMG. The same restriction shall apply for employees of the Supplier, sub-contractors and other third parties acting under the instruction of the Supplier.

7 - LIABILITY

The Supplier shall be responsible for any damage of any nature whatsoever and whether in contract or in tort and including product liability, arising out of, directly or indirectly, the performance or non-performance of these obligations and which may occur during the performance of the Supplies or after the delivery to AMG (hereinafter "the Damage"). The nature of the Damage may be otherwise defined on the order. In order to cover such risks, the Supplier shall take out sufficient and appropriate insurance to cover any liabilities resulting from its activities and contractual undertakings. The Supplier undertakes to provide AMG, at its first request, with a valid insurance certificate.

The Supplier and its insurers undertake to indemnify and hold harmless AMG, its directors, its employees, its agents, its subcontractors and their respective insurers from and against any claims and recourses from any third-party (including the employees of the Supplier) for any Damage. AMG shall inform the Supplier as soon as possible of the service of notices or claims by third parties and shall provide the Supplier with all available data and documents of importance to the defence. The Supplier shall be entitled to negotiate directly with the claimant and to conduct or take over legal proceedings against the latter.

The Supplier and its insurers shall hold AMG, its directors, its employees, its agents, its subcontractors and their respective insurers harmless for any Damage caused to the Supplier's property and to its directors, its employees, its agents, its subcontractors or third party, except in case of gross negligence or wilful misconduct of AMG.

8 - TRANSFER OF OWNERSHIP, OF RISK

Transfer of ownership and risk, if any, with respect to the Supplies shall take place upon delivery and at the place stipulated on the order, except in the case of reservation of title stipulated on the order. The application of the property reservation clause, which shall be stipulated on the order, implies that the Supplier shall be responsible for all risks in relation with the Supplies, including but not limited to those run on AMG's premises, until full payment of the Supplies.

All elements which AMG makes available to the Supplier for repair, processing or conversion or for other purposes (including special tools and equipment as well as specifications, drawings and models) shall be given to the Supplier on loan, remain the property of AMG, may be used only for the implementation of orders placed by AMG and shall be returned to AMG at AMG's first request, without the Supplier being able to exercise any right of lien in respect of such elements. Use for purposes other than AMG orders, particularly on behalf of third parties, is permitted only if this has been agreed to in writing by AMG. The risk of loss or damage to such elements is borne by AMG, except where such loss or damage is due to failure and/or negligence of the Supplier, his subordinates or subcontractors. The Supplier shall ensure that the elements of which AMG is the owner are identified as such and isolated from the Supplier's property.

9 - INTELLECTUAL PROPERTY

All the intellectual property rights associated with the elements supplied by AMG for the performance of the order shall remain the exclusive property of AMG and shall not be assigned to the Supplier. Thus, such elements shall not be used, copied or assigned to third parties by the Supplier except for the sole purpose of performing the order and shall be returned on receipt of the Supplies or termination of the order.

AMG shall own all right, title and interest in all studies and, as the case may be, any other services performed by the Supplier as a result of an order (the "Works"). Consequently, the Supplier does hereby expressly and exclusively assign to AMG all right, title and interest in and to the Works, worldwide, for the entire period of protection and for no other compensation than the price set forth on the order. AMG shall be free to complete or modify the Works and shall own all right, title and interest in these modifications. The Supplier agrees not to claim any right on the Works and on the modifications performed by AMG on the Works and waives any right to benefit from the commercial use made by AMG of the Works and of any such modifications.

The Supplier warrants that the Works do not constitute the violation of any third party's right, including but not limited to intellectual property rights and that he did or will not transfer to any third party any rights on the Works. The Supplier warrants that he has obtained any third party's rights necessary for the purposes of this warranty. The Supplier will indemnify and hold harmless AMG against all claims based on such violation, including but not limited to infringement, unfair competition, or any other irregular use of third-party knowledge. If AMG is unable to use the Works, without prejudice of any other damages AMG might receive, AMG may obtain, at its own option, either (a) the right to continue using the Works (b) the supply, at no additional charges, of a modified Work made non-infringing, (c) the refund of any amount paid by AMG for the Works.

10 - TERMINATION

AMG shall be entitled to cancel all or part of the order, either (i) without further notice of default or judicial recourse if:

- no written confirmation of the order has been received from the Supplier; after ten (10) calendar days after the issuance of the order;
- the agreed delivery date is exceeded, irrespective of the cause of the delay except in case of force majeure as defined above;
- the Supplier is declared bankrupt, applies for a suspension of payment of debts, liquidates his business or assigns it to third parties.
- loss of the Supplier's applicable certificates and/or ratings necessary to sign the release to service.

or (ii) after a fifteen (15) calendar days written notice to cure the default if such default has not been cured by the Supplier if:

- the Supplies do not meet the specifications or quantity ordered or
- the Supplier fails to perform any other obligation resulting from the relevant order.

Irrespective of whether AMG exercises its right of cancellation, the Supplier shall reimburse the damage and costs which AMG incurs in order to satisfy elsewhere its need for the Supplies specified on the order. If the default is the result of force majeure, as defined above, the Supplier shall not be obliged to reimburse damage and costs, provided that the Supplier notified AMG in writing as soon as circumstances occurred which were likely to result in such default.

11 – ASSIGNMENT AND SUBCONTRACTING

The Supplier shall not assign or subcontract the order whether in whole or in part without the prior written consent of AMG.

12 - CONFIDENTIALITY

The order shall not give rise to any publicity from the Supplier without the prior written consent of AMG. The Supplier shall maintain in confidence all information disclosed by AMG for the performance of an order. The Supplier shall not exhibit any parts manufactured according to AMG specifications without the prior written consent of AMG. The Supplier is bound to prevent its employees, subcontractors or suppliers from disclosing any information provided by AMG in order to fulfill the order.

13 – GOVERNING LAW AND DISPUTE

Any dispute which may not be settled amicably by the parties within one (1) month as from the date of the notification of the dispute shall be referred to the exclusive jurisdiction of the competent courts of Miami-Dade County, Florida to which jurisdiction is granted even in case of several defendants or introduction of third parties. In all circumstances, State of Florida law shall be the governing law.

