

Standard Terms for the Purchase of Parts and Services

The following terms of sale ("this Agreement") apply to any sale of all parts ("Products" or "Parts") or services ("Services") to Air Comm Corporation, a Colorado corporation, ("Buyer" or "ACC") with a place of business at 1575 West 124<sup>th</sup> Ave, Westminster, CO 80234 and/or 4554 Claire Chennault St. Addison, Texas 75001.

1. PURCHASE ORDERS

(a) Buyer is not obligated to buy any Parts from Seller. If Buyer places purchase orders for Parts to Seller, and Seller acknowledges purchase order quantities and dates of delivery either by email or otherwise all Parts supplied to Buyer are pursuant to the terms and conditions of this Agreement; and only the terms herein will apply to all such purchase and sale transactions.

(b) Any purchase order covering the sale of Parts to ACC will be governed by this Agreement and any other written purchase order provisions. Seller's terms and conditions and any oral understandings are expressly excluded.

(c) Buyer's Purchase Order is made expressly conditional on assent by Seller to this Agreement and any additional terms contained in Buyer's purchase order and engineering drawings. Buyer may also require quality assurance requirements, material certifications, or special packaging, invoicing, or testing – please see Buyer website for latest revision of all additional requirements all of which are incorporated herein. Buyer does not waive any term in this Agreement if it fails to object to provisions appearing on, incorporated by reference in, or attached to Seller's acknowledgement and Buyer expressly rejects such contrary provisions.

(d) Seller's silence, acceptance, or shipment of parts constitutes its assent to this Agreement.

(e) A modification to this Agreement is effective only if it is in writing and signed by an authorized executive level representative of Seller and Buyer.

2. PRICES

(a) Prices are quoted and payable in U.S. Dollars and purchase order will include any Buyer required non-standard testing, certification, paperwork, 8130 documentation, or other acceptance test or Buyer quality inspection or other AS9100 requirements. Buyer will arrange for and pay all expenses necessary to deliver purchased parts from Seller's facility pursuant to Incoterms 2010. All shipments shall be in full quantities and received by Buyer within 3 days of agreed upon delivery date using standard lead time shipments unless Buyer requests rush, expedited or partial delivery. Buyer may designate use of Buyer's shippers or shipping payment method. Buyer will reimburse Seller for actual shipping amounts if paid by Seller unless shipping prices are included in the purchase order itself.

(b) Until less than 30 days to scheduled delivery date, Buyer reserves the right to reschedule quantities or delivery date for up to 180 days. Beyond 90 days, all quantities and delivery dates may be cancelled by Buyer. Any delivery not received within 3 days of scheduled delivery date shall be a Seller default of this Agreement and Buyer may offset, cancel, or postpone delivery.

(c) Prices include and Seller shall not add any additional taxes or duties on the purchase or sale of Parts, including, but not limited to, federal, state, or municipal excise, sales, use or value added taxes or import duties, if any. Any additional such taxes and duties that may become due and owing will be paid by Seller, excluding taxes based upon Buyer's gross income.

3. PAYMENT AND SETOFF

(a) Buyer will pay Seller's valid invoices within 45 days of receipt of Parts unless pursuant to 2(b) above or ACC has arranged and agreed in writing through Buyer's accounting department different or other approved terms with Seller. Seller invoices will not be valid if dated earlier than actual delivery date of Part nor if such invoice contains quantities in excess of the quantities of each Part actually delivered. All deliveries shall be in full unless a partial shipment was requested by Buyer.

(b) Seller will not fail to deliver agreed upon purchase orders on time and in full and shall not setoff or accelerate any amount due from Buyer.

(c) All credits and debits shall be mutually determined with appropriate documentation support from both each of the Seller and Buyer.

4. SHIPMENT AND ACCEPTANCE OF PARTS

(a) Delivery terms are Incoterms 2010, the Buyer shall pay all shipping from the Seller's facility unless otherwise quoted and agreed upon in the purchase order. Seller will schedule delivery to ensure Buyer receives within 3 days of mutually agreed delivery date.

(b) Buyer acceptance of parts will be after the contents of each shipment are checked for damage at the time of delivery. Any damage or missing items will be reported within fifteen (15) days to the Seller. Concealed damage and or missing items must be reported within thirty (30) days of receipt of the shipment. Parts will NOT be presumed accepted by Buyer until after the same period. Seller will have a reasonable opportunity to replace rejected Parts or credit Buyer with the purchase price.

(c) Seller will support documentation required by Buyer's return material authorization policies.

(d) Seller will ship parts to Buyer suitably packed for shipment to prevent damage in transit in accordance with Seller's standard shipping practices.

(e) Seller will ensure all parts are delivered pursuant to Buyer quality assurance requirements and engineering drawings and specifications and measurements agreed to in the first article inspection. Parts shall be considered good Parts if they conform to all such and the First Article Inspection requirements.

(f) Buyer reserves the right to require updates and revisions to all Parts and to receive new First Article Inspections and to require additional documentation of conformance.

(g) Buyer may replace Standard Parts (as defined in the Code of Federal Regulations (CFR), Title 14, Chapter I, Part 21, Subpart K, Section 21.303(b) (4)), conforming to established industry or U.S. specifications (i.e., AN, MS, NAS), with another Standard Part, where the drawing or specification authorizes the use of another part (i.e., superseded or replaced by).

5. QUALITY

Buyer is certified to Quality Standard AS9100 Rev:C and ISO 9000:2000 and Seller must support root cause analysis for Part failures and other various inspection process audits. Seller will assist Buyer in conducting quality reviews if Buyer requests.

6. DEFAULT

(a) If a Seller fails to deliver defect free Parts within 3 days of scheduled delivery date; or substantially fails to deliver or to perform a material obligation under this Agreement and such failure to perform remains uncured for 10 days after the receipt of written notice stating the failure to perform, the Buyer may elect to cancel purchase order in its entirety, or offset, or fully or partially terminate, or alter terms, quantities, dates, or reduce existing or yet to be delivered purchase orders.

7. WARRANTY

(a) Warranty Terms-Seller warrants that products manufactured and delivered to ACC shall be free of defects in materials and workmanship for a period of the longer of required warranty terms on the Purchase Order or one year from the date of Purchase.

8. EXCUSABLE DELAYS

(a) Seller is liable for any delay in the performance under this Agreement unless delay is caused by Acts of God, fire, explosion, flood and other natural catastrophe, governmental acts, order or regulations, strikes, labor difficulties or material or component shortages to the extent not caused by the fault or negligence of Seller, provided such delay will last only as long as the event remains beyond the reasonable control of Seller and less than 30 days.

(b) If Seller is unable to ensure an uninterrupted supply of Parts at no additional cost to Buyer despite Seller's best efforts after 30 days, Buyer may in writing or otherwise immediately alter, amend or terminate the orders without liability to Buyer.

9. PATENT INDEMNIFICATION

Seller shall indemnify Buyer for valid 3<sup>rd</sup> party patent indemnification or upon Buyer request, assign or transfer to Buyer all patent indemnifications of Seller's suppliers and/or manufacturers of Parts.

#### 10. CONFIDENTIALITY

Neither party will disclose to a third party any information concerning this Agreement, nor the prices offered to Buyer under this Agreement, without first obtaining the written consent of the other party, unless required by law.

#### 11. ASSIGNMENT

Seller may not assign any rights or obligations under this Agreement without the advance written consent of the other Party only in connection with the sale or transfer of all or substantially all of the assets of the business to which it pertains or a transfer that does not alter the ultimate Parent.

**12. INTELLECTUAL PROPERTY RIGHTS. Buyer owns all Intellectual Property rights to all engineering supplied by Buyer.** Any and all intellectual property rights (including, without limitation, patents, registered and unregistered designs, trademarks and service marks (registered or not) and copyright and any applications for them) in the Products or Services or in any molds, tools, designs, drawings, or production data owned by the Buyer or created by the Buyer or supplied by Buyer in the course of the performance of the Agreement whether used in the manufacture or design of the Products or the provision of Services shall remain the Buyer's property. The Seller shall not reproduce in whole or in part any information or drawing or other assembly of data as supplied by Buyer for any purpose without express written consent of executive management of Air Comm Corporation.

#### 13. WAIVER

A party does not waive a right upon breach of these Terms by failure to assert it; nor is a waiver implied from a party's acceptance of any payment or Part. No waiver of a right affects any other right a party may possess, nor does such waiver extend to any subsequent breach.

#### 14. EXPORT LAW

Buyer and Seller will comply with U.S. Government export control laws and regulations and will not re-distribute, re-sell or otherwise transfer the parts delivered by Seller to Buyer under these Terms without obtaining all necessary approvals and licenses from the appropriate US Government agency. Seller will apply for any export license required under this Agreement. Buyer and Seller are not liable for any failure to provide goods, services or technical data as a result of any of the following U.S. Government actions: (1) refusal to grant export or re-export license; or (2) cancellation of export or re-export license that limits or has a material adverse effect on the cost of Seller's performance under these Terms.

#### 15. GOVERNING LAW AND DISPUTES

(a) The United Nations Convention on Contracts for the International Sale of Goods is excluded from transactions between Buyer and Seller under this Agreement. Buyer and Seller expressly agree in recognition of their rights as specified in this Convention that the law of the State of New York, excluding its choice of laws provisions, governs the interpretation of this Agreement

(b) Any dispute arising out of or relating to this Agreement, including its breach, termination or validity, will be finally resolved by a sole arbitrator. The place of arbitration will be Denver, Colorado.

#### 16. LIMITATION OF LIABILITY

BUYERS'S LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT IS LIMITED TO THE CONTRACT PRICE FOR THE SPECIFIC PRODUCT OR SERVICE THAT GIVES RISE TO THE CLAIM. IN NO EVENT WILL BUYER BE LIABLE FOR ANY INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INDIRECT DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES, OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS OF WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE), BY OPERATION OF LAW, OR OTHERWISE.

#### 17. SURVIVAL

All provisions of this Agreement which by their nature should apply beyond the term of this Agreement including, but not limited to, "Payment", "Confidentiality", "Limitation of Liability", and "Governing Law and Disputes", will remain in force after the expiration or any termination of this Agreement.

#### 18. COMPLETE AGREEMENT

(a) This Agreement represents the complete agreement of the parties and supersedes any previously executed agreements, other writings or oral understandings that relate to the subject matter of this Agreement.

(b) This Agreement may only be modified or amended by subsequent written agreement signed by the Parties.