

Standard Terms for the Sale of Parts and Services

The following terms of sale ("this Agreement") apply to any sale of parts ("Products" or "Parts") or services ("Services") by Air Comm Corporation, a Colorado corporation, ("Seller" or "ACC") with a place of business at 1575 West 124th Ave, Westminster, CO 80234.

1. PURCHASE ORDERS

(a) Buyer is not obligated to buy any Parts from Seller, and, Seller is not obligated to sell any Parts to Buyer. If Buyer orders Parts from Seller, and Seller delivers Parts to Buyer, this Agreement will apply to all such purchase and sales transactions

(b) Any purchase order covering the sale of Parts will be governed solely by this Agreement and any other mutually agreed upon written provisions. Oral understandings are expressly excluded.

(c) Seller's acceptance of Buyer's purchase order is made expressly conditional on assent by Buyer to this Agreement and the terms contained in Seller's purchase order acknowledgment. Seller does not waive any term in this Agreement if it fails to object to provisions appearing on, incorporated by reference in, or attached to Buyer's purchase order and Seller expressly rejects such contrary provisions.

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

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

2. PRICES

(a) Prices are quoted and payable in U.S. Dollars and do not include any Seller non-standard testing, certification or inspection requirements. Buyer will arrange for and pay all expenses necessary to deliver purchased parts from Seller's facility pursuant to Incoterms 2010 exworks.

(b) Buyer's order may be subject to Seller's minimum order size, kits, or other requirements.

(c) Prices do not include any 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 such taxes and duties that may become due and owing will be paid by Buyer, excluding taxes based upon Seller's gross income.

3. PAYMENT AND SETOFF

(a) Buyer will pay Seller's invoices prior to shipment unless ACC has preapproved terms with Buyer. Final invoices will not be dated earlier than the date of shipment of the Parts to which the invoice applies.

(b) Buyer will not setoff any amount, whether or not liquidated, against sums Buyer asserts are due to Buyer, Buyer's parent, subsidiaries, affiliates or other divisions or units under any transaction with Seller, Seller's parent, subsidiaries, affiliates or other divisions or units, whether under this Agreement or otherwise.

4. SHIPMENT AND ACCEPTANCE OF PARTS

(a) Delivery terms are Incoterms 2010, exworks Seller's facility. Seller will schedule delivery in accordance with its standard lead time unless (i) Buyer's order requests a later delivery date; or (ii) Seller agrees in writing to a separate delivery date. If Seller prepays transportation charges, Buyer will reimburse Seller upon receipt of an invoice for those charges. Title and risk of loss will pass to Buyer when Seller places Parts at the disposal of Buyer at Seller's facility. Seller reserves the right to quote additional charges for any rush shipments, special routing, packing, labeling, handling or insurance requested by Buyer.

(b) Buyer must thoroughly inspect the packaging and contents of each shipment for damage at the time of delivery. Any damage or missing items must be noted on the bill of lading and be reported immediately to the Seller. Concealed damage and or missing items must be reported within ten (10) days of receipt of the shipment. Parts will be presumed accepted unless Seller receives written notice of rejection explaining the basis for rejection within the same period. Seller will have a reasonable opportunity to replace rejected Parts or credit Buyer with the purchase price. Following initial delivery, the party initiating shipment will bear the risk of loss or damage to Parts in transit.

(c) Buyer will comply with Seller'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 reserves the right to 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). The price of such Standard Part will be the price of the part ordered by Buyer. Seller reserves the right to determine appropriate Standard Part revision level, if Buyer does not expressly define revision level on the face of the purchase order.

5. QUALITY

Seller is certified to Quality Standard AS9100 Rev: C and ISO 9000:2000.

6. DEFAULT

(a) If a party substantially fails to perform a material obligation under this Agreement and such failure to perform remains uncured for 30 days after the receipt of written notice stating the failure to perform, the performing party may terminate this Agreement.

(b) Buyer may purchase Parts from other sources provided not in conflict with section 12 herein, if Seller is unable or unwilling to sell Parts to Buyer under this Agreement for any reason. Seller has no liability to Buyer if Seller is unable or otherwise unwilling to sell Parts to Buyer.

7. WARRANTY

(a) Warranty Terms-Air Comm Corporation (hereafter referred to by ACC) warrants new products manufactured by ACC shall be free of defects in materials and workmanship for a period of one year from the date of Purchase and / or 1000 airframe hours whichever comes first. Repairs completed by ACC shall be free of defects in material and workmanship on the repaired part(s) for a period of 6 months from the date of sale and Overhauls will be warranted for 6 months from the date of sale.

(b) Limitations and Exclusions-Installation, maintenance and operation of the product must be in accordance with the specifications and instructions provided by ACC. The warranty registration must be returned to ACC within 30 days of the date of installation. (i) This warranty shall not apply to any product repaired or altered by parties other than ACC unless express prior authorization is granted; nor shall this warranty apply to any product subjected to misuse or accident unless proof is submitted to the satisfaction of ACC that such misuse or accident was not a cause for the claimed defect. (ii) The sole responsibility and liability of ACC and your exclusive remedy under any claim arising out of, connected with, or resulting from, this sale or the performance of breach of any condition of warranty there under, or from the manufacture, delivery, or use of the product shall be the rebuild or replacement of defective parts. Labor costs shall not be covered under any circumstances. (iii) In no event, whether as a result of a breach of contract, warranty, tort (including negligence) or otherwise, shall ACC be liable for any special, consequential, incidental or penal damages or expenses including but not limited to loss of profit, goodwill, or revenues, loss of use of the equipment or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities or services, down time, consumable materials, or cost or claims of third parties for such damages or expenses.

(c) Acceptance of the product by Buyer shall constitute Buyer acknowledgment and acceptance of the terms, provisions, limitations and exclusions set forth herein. Such terms, provisions, limitations and exclusions shall not be modified, deleted or supplemented except by an express written acceptance of ACC.

(d) WARRANTY PERFORMANCE: All claims under this warranty shall be made to ACC. All returned parts must be shipped prepaid for evaluation. Full details of the symptoms of the malfunction should be included to assist in the evaluation. Warranty credit or replacement will be extended only after ACC has determined that all conditions of this warranty have been met.

8. EXCUSABLE DELAYS

(a) Seller is not liable for any delay in the performance under this Agreement or delivery of Parts if the delay is caused by forces beyond its reasonable control, including, but not limited to, (i) delay by Buyer in providing the necessary specifications, data, or approvals, which causes Seller's delay in performance and/or delivery of Parts, (ii) 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, however, that the delay will last only as long as the event remains beyond the reasonable control of Seller.

(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 immediately terminate the orders as to such Parts for which the Seller is excused from delivery without liability to Seller.

9. PATENT INDEMNIFICATION

Seller shall indemnify Buyer for valid 3rd 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

Either party may 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. 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 Seller or created by the Seller in the course of the performance of the Agreement or otherwise used in the manufacture of the Products or the provision of the Services shall remain the Seller's property. The Buyer shall not reproduce in whole or in part any information or drawing or other assembly of data as supplied by Supplier for any purpose without express written consent of executive management of Air Comm Corporation and if such consent is granted this reservation shall be displayed therein; and no right is granted to use for commercial purposes. The Seller grants, on full payment for the Products or Services a revocable, non-exclusive right for the Buyer and bona fide purchasers from the Buyer to use, for the operation of the Products or Services for their intended purpose only, (a) any software supplied with, or embedded in, the Products and Services, and (b) technical manuals and instructions relating to operation and maintenance of the Products and Services. The Seller may revoke such license at any time if Buyer misuses or reverse engineers Seller's Intellectual Property. Except as expressly stated herein, nothing in the Agreement shall be deemed to have given the Buyer a license or any other right to use any of the intellectual property rights of the Seller's property.

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 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. Seller is not liable to Buyer 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

SELLER'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 SELLER 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. LIMITATION ON WARRANTY: The Seller shall not be liable under the warranty in any of the following circumstances: (i) Products or parts thereof which have been modified, altered, installed, removed, or used or serviced except by a certified technician in conformity with Seller's applicable specifications, manuals, bulletins or instructions, or which shall have been subjected to accident, improper installation, misuse or neglect; (ii) Products that have not been maintained and operated in accordance with the Seller's instructions; (iii) normal wear and tear, wilful or accidental damage, harsh environment, experimental running; or any damage due in whole or in part as a result of equipment not supplied by ACC including but not limited to all other equipment supplied by rotorcraft and general aviation OEMs (iv) Products or parts that use components not manufactured by or authorized by the Seller in the Products; Minor deviations from specifications including but not limited to cosmetic defects which do not affect performance of the Products shall not be deemed to constitute defects in materials or workmanship or a failure to comply with the specifications referred to herein. The need for regular overhaul of warranted equipment shall not constitute a defect or failure under this warranty. **THERE ARE NO OTHER WARRANTIES, CONDITIONS OR TERMS, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE.**

18. 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.

19. 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.