



TERMS AND CONDITIONS OF SALE

CONTROLLING PROVISIONS: No terms and conditions other than the terms and conditions contained herein shall be binding upon Avflex Corp. (hereinafter referred to as "Seller") unless accepted by it in a writing signed by an Officer of the Seller. All terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's purchase order, which are different from or in addition to the terms and conditions herein are hereby rejected and shall not be binding on Seller, whether or not they would materially alter this document, and Seller hereby objects thereto. All prior proposals, negotiations and representations, if any, are merged herein. Buyer will be deemed to have assented to all terms and conditions contained herein if any part of the goods and/or services described herein are shipped or an invoice is presented in connection with the said goods and/or services.

TERMS: Buyer agrees to pay for the Goods (which consist of new and refurbished airplane parts, and other related parts, and any other product that may be agreed upon between the Seller and Buyer) according to the Seller's payment terms. In the event Buyer fails to make any payment to Seller when due, Buyer's entire account(s) with Seller shall become immediately due and payable without notice or demand. All past due amounts are subject to service charges at the rate agreed upon by the parties in writing, otherwise at the maximum contract rate permitted by law or 1.5% per month, whichever is less. Buyer does hereby grant Seller a purchase money security interest in the Goods until such time as Seller is fully paid. Buyer will assist Seller in taking the necessary action to perfect and protect Seller's security interest. No Goods furnished by the Seller shall become a fixture by reason of being attached to an airplane.

REMEDIES OF SELLER: Upon default by Buyer, Buyer agrees to reimburse Seller all attorney fees and court costs incurred by Seller in connection therewith at the investigative, trial and appellate levels. Buyer agrees that any of the following shall constitute an event of default which shall enable Seller, at its option, to cancel any unexecuted portion of this order and/or to retain any monies or assets of Buyer in the Seller's possession as additional security through the date of Buyer's complete performance of the subject contract as determined by Seller, or to exercise any right or remedy which it may have by law: (a) the failure of Buyer to perform any term or condition contained herein; (b) any failure of Buyer to give required notice; (c) the insolvency of Buyer or its failure to pay debts as they mature, an assignment by Buyer for benefit of its creditors, the appointment of receiver for Buyer or for the materials covered by this order or the filing of any petition to adjudicate Buyer bankrupt; (d) the death, incompetence, dissolution or termination of existence of Buyer; (e) a failure by Buyer to provide adequate assurance of performance within ten (10) days after a reasonable demand by Seller or (f) if Seller, in good faith, believes that Buyer's prospect of performance under this Agreement is impaired. All rights and remedies of Seller herein are in addition to, and shall not exclude, any rights or remedies that Seller may have by law. In the event it becomes necessary to incur any expense for collection of any overdue account, reasonable collection charges, including reasonable attorneys' fees, will be added to the balance due and Buyer shall pay all such charges.

In addition to all other rights and/or remedies available at law to the Seller upon the default by Buyer, the Seller shall have the option of refusing to perform further under any existing purchase order or agreement between the parties that Seller may elect, and Seller may rescind any agreements or purchase orders between the parties and hold Buyer liable for all resulting damages and losses, or of reselling, at public or private sale, undelivered Goods covered by this and any other existing Agreement and/or purchase order between the parties that Seller may elect. Seller is not liable to Buyer for any profit on any resale, but Buyer remains liable to Seller for the difference between (1) the agreement price of the Goods, plus all expenses and charges for the account of Buyer specified in any relevant purchase order/invoice and all expenses of storage and resale, and (2) the resale price of the Goods.

GOVERNING LAW: This transaction shall be governed in all respects by the laws of the State of Florida (exclusive of its choice of law provisions). The parties hereby agree that the forum for litigation of all actions, regardless of form, arising out of or related to these terms and conditions, any purchase order, or agreement or the Goods sold hereunder must be brought against Seller within the applicable statutory period, but in no event more than **ONE (1) YEAR** after the date of invoice.

ARBITRATION: The parties hereto specifically intend to avoid the delays and costs of litigation in the event of any dispute hereunder. Therefore, all claims or controversies concerning this Agreement, or arising in any way out of the performance of any agreement between the Seller and a Buyer, that cannot otherwise be resolved by the parties in good faith within thirty (30) days from the date a party gives the other party written notice of a claim or controversy, shall be subject to binding



arbitration. Arbitration shall be conducted by a single arbitrator either mutually agreed to by the parties, or appointed by the Commercial Panel of the American Arbitration Association ("CPAAA"), if the parties are unable to agree upon an arbitrator within fifteen (15) business days following the end of the thirty (30) period referred to above. The arbitration shall be conducted in accordance with the then current rules of the CPAAA as determined by the arbitrator; provided, however, that the parties shall be entitled to reasonable discovery, so long as such discovery is completed at least ninety (90) days following appointment of the arbitrator, through no fault of either party, or as mutually agreed upon by the parties. The arbitrator shall have the power and authority to enter an order or make an award in law or equity and such award or order shall have the same force and affect as an order or judgment of a court of competent jurisdiction in the State of Florida. The venue of any arbitration and/or litigation shall exclusively take place in Miami-Dade County, Florida.

DELIVERY: Seller will make a good faith effort to complete delivery of the Goods as indicated by Seller in writing, but Seller assumes no responsibility or liability and will accept no back-charge for loss or damage due to delay or inability to deliver, whether or not such loss or damage was made known to Seller, including, but not limited to, liability for Seller's non-performance caused by acts of God, war, labor difficulties, accidents, inability to obtain materials, delays of carriers, contractors or suppliers or any other causes of any kind whatever beyond the control of Seller. Under no circumstances shall Seller be liable for any special, consequential, incidental, indirect, or liquidated damages, losses, or expense (whether or not based on negligence) arising directly or indirectly from delays or failure to give notice of delay.

WARRANTY: THE BUYER'S SOLE AND EXCLUSIVE WARRANTY, IF ANY, IS THAT PROVIDED BY THE PRODUCT'S MANUFACTURER. SELLER MAKES NO EXPRESSED OR IMPLIED WARRANTIES. SELLER HEREBY DISCLAIMS ALL EXPRESSED OR IMPLIED WARRANTIES, WHETHER IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES, AND IN NO EVENT, WILL SELLER BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER LOSS, DAMAGE, COST OF REPAIRS OR INCIDENTAL, PUNITIVE, SPECIAL, CONSEQUENTIAL, OR LIQUIDATED DAMAGES OF ANY KIND, WHETHER BASED UPON WARRANTY, CONTRACT, STRICT LIABILITY, NEGLIGENCE OR ANY OTHER CAUSE OF ACTION ARISING IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, TRANSPORTATION, INSTALLATION, USE OR REPAIR OF THE GOODS SOLD BY SELLER. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES, AND IN NO EVENT, SHALL SELLER'S LIABILITY, IF ANY, EXCEED THE NET SALES PRICE OF THE DEFECTIVE PRODUCT(S); NO ADDITIONAL ALLOWANCE SHALL BE MADE FOR THE LABOR OR EXPENSE OF REPAIRING OR REPLACING DEFECTIVE GOODS OR WORKMANSHIP OR DAMAGE RESULTING FROM THE SAME. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, ALL GOODS AND/OR SERVICES PROVIDED BY SELLER AND ITS EMPLOYEES AND AGENTS ARE PROVIDED "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

RECOMMENDATIONS BY SELLER: Buyer acknowledges that Seller does not make and specifically negates, renounces and disclaims any representations, warranties and/or guaranties of any kind or character, expressed or implied, with respect to (i) the Goods sold, their use, design, application or operation, their merchantability, their physical condition or their fitness for a particular purpose, (ii) the maintenance or other expenses to be incurred in connection with the Goods, (iii) the engineering, design, fabrication work or any other work or service (whether gratuitous or for payment) supplied by Seller and/or its agents, suppliers and employees or (iv) the accuracy or reliability of any information, designs or documents furnished to Buyer. Seller neither assumes, nor authorizes any person to assume for it, any other obligation in connection with the sale of its Goods and/or rendering of its services. Any recommendations made by Seller concerning the use, design, application or operation of the Goods shall not be construed as representations or warranties, expressed or implied. Failure by Seller to make recommendations or give advice to Buyer shall not impose any liability upon Seller.

INDEMNIFICATION: The Buyer shall at its own expense apply for and obtain any permits and inspections required for the installation and/or use of the Goods. Seller makes no promise or representation that the Goods or services will conform to any federal, state or local laws ordinances, regulations, codes or standards, except as particularly specified and agreed upon in writing by an authorized representative of Seller, or that may be required by US Federal law.

Seller shall not be responsible for any losses or damages sustained by the Buyer or any other person as a result of improper installation or misapplication of the Goods. Buyer shall defend, indemnify and hold harmless Seller and its agents and employees against any loss, damage, claim, suit, liability, judgment or expense (including, without limitation, attorney's fees)



arising out of or in connection with any injury, disease or death of persons (including, without limitation, Buyer's employees and agents) or damage to or loss of any property or the environment, or violation of any applicable laws or regulations resulting from or in connection with the sale, transportation, installation, use, or repair of the Goods by Buyer or of the information, designs, services or other work supplied to Buyer, whether caused by the concurrent and/or contributory negligence of Buyer, Seller, or any of their agents, employees or suppliers. The obligations, indemnities and covenants contained in this paragraph shall survive the consummation or termination of this transaction.

INSPECTION AND ACCEPTANCE: Claims for damage, shortage or errors in shipping must be reported within one (1) day following delivery to Buyer. Buyer shall have seven (7) days from the date Buyer receives any Goods to inspect such Goods and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and notify Seller, in writing, of any defects, nonconformance or rejection of such Goods. After such seven (7) day period, Buyer shall be deemed to have irrevocably accepted the Goods, if not previously accepted. After such acceptance, Buyer shall have no right to reject the Goods for any reason or to revoke acceptance. Buyer hereby agrees that such seven (7) day period is a reasonable amount of time for such inspection and revocation. Buyer shall have no right to order any change or modification to any product or service previously ordered by Buyer or its representatives or cancel any order without Seller's written consent and payment to Seller of all charges, expenses, commissions and reasonable profits owed to or incurred by Seller. Specially fabricated or ordered items may not be canceled or returned, and no refund will be made. The sole and exclusive remedy for merchandise alleged to be defective in workmanship or material will be the replacement of the merchandise subject to the manufacturer's inspection and warranty.

RETURNS: Buyer may return any Goods, including surplus job returns, only if the Seller will accept the return. Any return request will be evaluated on an individual basis after Buyer has contacted Seller's authorized representative for prior written permission. Any returned Goods must be (i) in its new or 'as sold' condition, suitable for resale in its undamaged original packaging and with all its original parts and (ii) must not have been used, installed, modified, rebuilt, reconditioned, repaired, altered or damaged (unless the repair, rebuild, or reconditioning had been completed by the Seller or pursuant to instructions from Seller). Credit memoranda issued for authorized returns shall be subject to the following deductions: (a) cost of putting items in salable condition; (b) transportation charges, if not prepaid; and (c) handling and restocking charges.

SHIPMENTS: All Goods are shipped F.O.B., point of shipment, unless otherwise agreed by the Parties in writing. Risk of loss shall transfer to the Buyer upon tender of goods to Buyer, Buyer's representative, or common carrier. The cost of any special packing or special handling caused by Buyer's requirements or requests shall be added to the amount of the order. If Buyer causes or requests a shipment delay, or if Seller ships or delivers the Goods erroneously as a result of inaccurate, incomplete or misleading information supplied by Buyer or its agents or employees, storage and all other additional costs and risks shall be borne solely by Buyer. Claims for Goods damaged or lost in transit should be made by Buyer to the carrier, as Seller's responsibility ceases upon tender of goods to Buyer, Buyer's representative or common carrier.

TAXES: The amount of any sales, excise or other taxes, if any, applicable to the Goods shall be added to the purchase price and shall be paid by Buyer unless Buyer provides Seller with an exemption certificate acceptable to the taxing authorities. Any taxes which Seller may be required to pay or collect under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use or consumption of any of the Goods, including taxes upon or measured by the receipts from the sale thereof, shall be for the account of the Buyer, who shall promptly pay the amount thereof to Seller upon demand.

SEVERABILITY: These terms and conditions of sale shall not be construed against the party preparing them, but shall be construed as if all parties jointly prepared these terms and conditions of sale and any uncertainty or ambiguity shall not be interpreted against any one party. If any provision hereof is held to be illegal, invalid or unenforceable under any present or future laws, such provision shall be fully severable and the terms and conditions herein shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been made a part hereof. The remaining provisions herein shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provisions or by their severance herefrom.

SET-OFF: Buyer shall not be entitled to set-off any amounts due Buyer against any amount due Seller in connection with any transaction.



NON-WAIVER: Seller's failure to insist upon the strict performance of any term or condition herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder, nor of its right to insist upon the strict performance of the same or any other term herein in the future. No waiver of any term or condition hereunder shall be valid unless in writing and signed by an officer of Seller.

SECTION AND PARAGRAPH HEADINGS: The headings contained in these Terms and Conditions are for reference only and shall have no effect upon the meaning or interpretation hereof.

ENTIRE AGREEMENT: This document constitutes the entire, complete, and exclusive agreement between the parties with respect to the subject matter hereof and contains all the agreements and conditions of sale; no course of dealing or usage of the trade shall be applicable unless expressly incorporated herein. The terms and conditions contained herein may not be added to, modified, superseded or otherwise altered except by a written modification signed by an officer of the Seller. All transactions shall be governed solely by the terms and conditions contained herein.