

TERMS AND CONDITIONS OF SALE AND WARRANTY

(Terms and Conditions)

MARATHONNORCO AEROSPACE, INC.

NOTICE: ANY ORDER AS ACCEPTED BY MARATHONNORCO AEROSPACE, INC. (MNAI or OEM) IS SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN, WHICH THESE TERMS AND CONDITIONS ARE MADE A PART OF ANY ACCEPTED ORDER BY MNAI BY REFERENCE.

These Terms and Conditions are: 1) printed on the backside of, attached to, or referenced with MNAI's (Seller's) order acknowledgment, 2) a separate document as may be attached to or referenced on the face of the MNAI invoice, 3) automatically included in any order acknowledgement by MNAI, and 4) available for viewing on the MNAI website. These Terms and Conditions are the only agreed to terms and conditions of sale and warranty of Goods made by Seller to Buyer.

Individually, either Seller or Buyer may be referred to as Party, or jointly as Parties herein.

DEFINITIONS. The following definitions, when capitalized and used herein, carry the intended meaning as written:

- (a) "Agreement" shall mean the actual bargain between the Buyer and Seller. These Terms and Conditions shall be all the terms and conditions contained as a part of the Agreement and no other terms and conditions, conflicting or in addition to, exist unless specifically contained in writing and duly signed and dated by a corporate officer of Seller.
- (b) "Buyer" shall mean the individual or organization identified as the Buyer on the face of the document to which these Terms and Conditions apply.
- (c) "Goods" shall mean the items of movable property identified as the Goods, which are being sold by the Seller to the Buyer under the Terms and Conditions of the Agreement.
- (d) "User" shall mean any individual, organization, partnership, corporation or other entity operating or utilizing the Goods or any device, material, or thing incorporating the Goods that has been fabricated or manufactured by the Buyer, its subsidiaries, affiliates, customers or successors in possession of the Goods. The term "User," as used herein, is intended to refer to the ultimate purchaser of the Goods in the ordinary chain of marketing as distinguished from a manufacturer, a maintenance provider, a wholesaler, a distributor, or a retail dealer.

PRICES. All prices for Goods are subject to change without notice at any time prior to acceptance of the Buyer's order by Seller, at which time the prices become firm upon Seller's acceptance of the Buyer's order, which Seller's acceptance of Buyer's order automatically includes these Terms and Conditions. Seller reserves the right, by providing notice to Buyer at any time before Goods delivery, to increase the price of the Goods to reflect any increase in the cost to the Seller which is due to any factor beyond the Seller's control (such as, without limitation, any increase in the costs of labor, materials, or other costs of manufacture or supply).

TAXES AND COST OF TRANSPORTATION. The price for the Goods reflected herein does not include any applicable federal, state, or local taxes, duties, customs or any other fees in effect on the date of the Agreement, or subsequently increased, enacted, or levied, nor does it include any costs of transporting the Goods from Seller to Buyer. Buyer is solely responsible for the payment of all such taxes, costs and fees incurred by Seller in excess of any specific Seller obligation identified herein or as provided in writing on the face of the Agreement.

DELIVERY AND RISK OF LOSS. (a) Seller shall forward the Goods to Buyer by any commercially reasonable means at the address noted on the face of the Agreement, but this requirement does not impose upon Seller the duty to make delivery at that point. Seller has the option of selecting the particular route and carrier for shipment of the Goods to Buyer. Delivery of the Goods by the Seller to a carrier shall constitute delivery to Buyer. (b) The risk of loss with respect to the Goods shall pass to Buyer upon the Goods delivery by Seller to a carrier for transportation to the Buyer. In no case shall Seller be liable for damages, losses, delays or forwarding charges. No loss, injury or destruction of the Goods subsequent to their delivery to a carrier for transportation and final delivery to Buyer shall release Buyer from any obligation with respect to the Goods, including without limitation, the obligation to pay for the Goods at the price(s) reflected on the face of the Agreement or the respective invoice

from the Seller. (c) Seller reserves the right to make deliveries in installments. Partial shipment will be billed as made and payments therefore are subject to the terms of payment noted herein. All delivery indications are approximate and are dependent in part upon prompt receipt of all necessary information to service the respective Buyer's order. Seller reserves the right to allocate inventories and production of Goods when such allocations become necessary. Seller will not be liable for any losses, costs, damages, charges or expenses caused directly or indirectly by any delay in delivery of Goods nor will any delay entitle Buyer to terminate or rescind the Agreement.

TERMS OF PAYMENT. All payments for Goods are due net thirty (30) days from the date of the Seller's invoice for said Goods, whether or not the Buyer has inspected the Goods. Seller reserves the right to impose a three percent (3%) administrative fee for processing payments made by a credit card.

INSPECTION. Buyer shall inspect the Goods immediately upon their arrival at Buyer's address as reflected on the face of the Agreement, but no later than ten (10) calendar days after Goods arrival at Buyer's dock. Buyer will provide immediate written notice of any matter or issue which Buyer portrays makes the Goods non-conforming and is considered by the Buyer as the basis for the Buyer's proposed rejection of the Goods. Failure of Buyer to give such written notice within the specified time shall constitute irrevocable acceptance of the Goods. Expenses of Goods' inspection must be borne by Buyer in any event.

CANCELLATION. ALL BUYER ORDERS ACCEPTED BY SELLER SHALL BE FIRM. NO NOTICE OF CANCELLATION OR TERMINATION, NOR ANY OTHER SIMILAR NOTICE, SHALL OPERATE TO RELIEVE BUYER FROM ANY OBLIGATION UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION TO ACCEPT TENDERS OF CONFORMING GOODS AND PAY FOR THEM AT THE PRICE STATED HEREIN, WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER SIGNED BY A CORPORATE OFFICER OF SELLER.

SET-OFF. Seller shall be entitled at any time to set-off any sums owing by Buyer to Seller or to any of Seller's affiliates against sums payable by Seller in connection with this Agreement or the Goods covered thereby.

FORCE MAJEURE. If any performance of Seller under the Agreement is prevented, hindered, delayed or otherwise made impracticable or unduly burdensome by reason of any cause beyond Seller's reasonable control (hereinafter called an "Event") including, without limitation:

acts of God, wars, terrorism, riots, fires, unusually severe weather, curtailment or termination of Seller's sources or supplies of energy or power, inability to obtain or delay in obtaining necessary licenses and/or permits, inability to obtain materials or supplies, acts of the Buyer, Buyer's agents or Buyer's representatives, delays due to shipping or transportation, changes or additions to this Agreement, strikes or other labor disputes involving Seller or its subcontractors or suppliers (it being expressly understood that Buyer shall have no right to compel Seller to settle any such strike or other labor dispute on any term(s) unsatisfactory to Seller), which cause cannot be overcome by reasonable diligence and without unusual expense, Seller shall be excused from its performance to the extent that Seller is prevented, hindered, delayed or otherwise made impracticable or continues to prevent, hinder, delay or otherwise make impracticable or unduly burden Seller's performance. Performance of any Seller obligation excused under this paragraph shall be resumed as soon as reasonably practicable after the Event ceases.

LIMITED WARRANTY.

(a) Seller warrants that the Goods sold as new are free from defects in materials and workmanship at the time of shipment.

(b) Seller warrants that Goods sold as repaired, overhauled, or exchanged will be free from defects in material and workmanship for the specific item(s) within the Goods that were replaced, repaired, overhauled, or exchanged by Seller at the time of shipment.

(c) The Warranty set forth in (a) and (b) above (the "Warranty") is EXPRESSLY MADE SUBJECT TO THE FOLLOWING PROVISIONS:

(1) The Warranty shall not apply to any Goods which have been repaired or altered by anyone other than the Seller in any way such that, in Seller's sole and absolute judgment, said repair or alteration could affect or effect the Goods' original integrity, the original OEM representation of the Goods, or the Goods' stability, reliability, or performance. In addition, the Warranty shall not apply to any Goods which have been subject to use as not

intended or used in any fashion or in any application not recognized by Seller as acceptable, in Seller's sole opinion, or negligence, or accident, nor to any Goods which have not been used in strict accordance with Sellers' printed instructions, nor to any Goods not installed or not operated in compliance with Sellers' specifications, nor to any Goods which have been damaged because of their use, or the use of the Goods and any other materials or equipment after the Buyer has any information, any actual knowledge, or suggestive/derived knowledge, of such damage and/or associated defect of the Goods, material, or equipment.

(2) The extent of Seller's liability for any breach of the Warranty shall be strictly limited to repairing or replacing (whichever of the two options Seller, in its sole discretion, shall elect) any confirmed defect in the Goods directly attributable to Seller's workmanship or materials, with the Goods to be returned to Seller's facility in Waco, Texas at the complete risk and expense of the Buyer; provided, however, that no Warranty consideration shall be effective unless (i) Seller receives a written claim completed by Buyer (with sufficient detail as required by Seller) within thirty (30) days after the discovery of the purported Goods' defect and before expiration of the Warranty, and (ii) Seller is provided the opportunity to conduct the verification tests described in the next succeeding sentence.

In the event a written claim regarding a purported Goods' defect is made by Buyer under the Warranty, Seller shall have the right (but not the obligation) to verify by its own representative(s) the nature and extent of the purported Goods' defect being claimed PRIOR TO THE TIME THAT THE GOODS ARE RETURNED TO SELLER and if, in fact, no breach of Warranty has occurred, the Buyer shall pay a reasonable per diem fee for the reasonable expenses incurred by such Seller representative(s). After the purported claim of a Goods' defect has been acknowledged and/or reviewed by the Seller's representative(s), and written notice and authorization has been provided by Seller to the Buyer (or after Seller has notified the Buyer in writing that Seller will conduct the verification tests at Seller's facility) the Buyer shall, at Buyer's risk and expense, return the Goods in question to Seller's facility in Waco, Texas for review of any Warranty consideration.

Seller will have no obligation whatsoever to accept delivery of any returned Goods unless the provisions set forth in this subparagraph (2) have been satisfied in total. Upon receipt, the purported Goods' defect as claimed by Buyer will be either confirmed or not-confirmed by the Seller. If confirmed, the Seller will repair or replace the item(s) of confirmed defect within the Goods. If the purported Goods' defect is not-confirmed, Seller will notice Buyer, requesting instructions as to what the Buyer chooses to do with the non-warrantable Goods. Any action taken by the Seller regarding the non-warrantable Goods at that point will be at the Buyer's expense.

(3) Seller reserves the absolute right to dispose, without any recourse, any Goods after the Buyer has been noticed that: 1) the Goods are non-warrantable, or 2) the Goods have been denied Warranty. After 30 days have lapsed from the date of notice by Seller to the Buyer of the denial of warranty, or non-warrantable status of the Goods with no response from the Buyer regarding the warranty denial or the non-warrantable status of the Goods, and the associated lack of direction from the Buyer regarding the handling, disposal, or associated return of the non-warranted or the warranty-denial of the Goods, then disposal or the handling of the Goods by Seller will be per the Seller's applicable standard procedures and practices.

(4) Any Goods that are repaired or replaced by Seller pursuant to subparagraph (2) shall be warranted for the remaining term of the original Goods' Warranty. Any item or Good replaced by the Seller under Warranty becomes the property of the Seller. THE AFORESAID REMEDY IS EXPRESSLY AGREED TO BE THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF THE WARRANTY; accordingly, without limitation of the generality of the foregoing, Seller shall not be obligated in any event of breach of said Warranty to return any portion of the purchase price of the Goods or to provide credit for any payments received, in whole or in part.

(d) THE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES (EXCEPT OF TITLE), EXPRESS, IMPLIED (INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE) OR STATUTORY AND ALL OTHER LIABILITIES (CONTRACT, TORT, OR OTHERWISE INCLUDING, WITHOUT LIMITATION, NEGLIGENCE). SELLER MAKES NO WARRANTY WHATSOEVER, EXPRESS, IMPLIED, OR STATUTORY, TO ANY PERSON OR ENTITY OTHER THAN BUYER. IN NO EVENT WHATSOEVER SHALL SELLER BE LIABLE FOR LOSS OF PROFITS OR ANY OTHER INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES RESULTING FROM ANY DEFECT IN THE GOODS OR ANY BREACH OF THE WARRANTY.

(e) THE WARRANTIES, OBLIGATIONS AND LIABILITIES, EXPRESS OR IMPLIED, AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF BUYER SET FORTH IN THESE TERMS ARE EXCLUSIVE AND IN

SUBSTITUTION FOR, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN THE GOODS OR SERVICES PROVIDED UNDER ANY ORDER, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS; ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM THE NEGLIGENCE OF SELLER OR ANY MANUFACTURER OF AIRCRAFT INCORPORATING THE PRODUCTS; AND ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OR DAMAGE TO ANY AIRCRAFT.

(f) The LIMITED WARRANTY and LIMITATION OF LIABILITY herein shall solely apply unless otherwise agreed to in writing, an MNAI authored and created document, signed by a corporate officer of the Seller.

(g) NO WARRANTY OF ANY NATURE, EXPRESS OR IMPLIED, IS MADE TO ANY "CONSUMER" AS THAT TERM IS DEFINED BY SECTION 101 OF THE MAGNUSON-MOSS WARRANTY, FEDERAL TRADE COMMISSION IMPROVEMENT ACT. AS SUCH, THE MAGNUSON-MOSS WARRANTY ACT IS NOT APPLICABLE TO THIS SALE. (h) AS TO ALL GOODS: The Warranty applies only in favor of Buyer and shall expire on the last day of a period of six months after the date of delivery of the Goods to the Buyer UNLESS on or before the last day of such six month period the Buyer or any of its subsidiaries, affiliates, customers or successors in possession of the Goods deliver the Goods, either separately or as part of device, material or thing manufactured or fabricated by Buyer, its subsidiaries or affiliates, customers or successors in possession of the Goods, to a User, in which event the Warranty shall expire on the last day of a period of: (i) one (1) year for standard new Battery Goods, two (2) years for SuperPower and M3 Micro Maintenance new battery Goods, or (ii) one (1) year for standard new CHRISTIE Goods, or (iii) one (1) year for standard new NORCO Goods, or (iv) six (6) months for Norco, Battery, or Christie repaired Goods, or (v) one (1) year for Norco overhauled and exchanged Goods; all five warranty periods (i) – (v), commencing no later than the date of delivery of the respective Goods to such User.

WAIVER. The rights and remedies herein reserved to Seller shall be cumulative and in addition to any other rights and remedies provided by law. The failure of Seller to insist upon strict performance hereof shall not constitute a waiver or estoppels against asserting the right to require such performance in the future, nor shall a waiver or estoppels in any one instance constitute a waiver or estoppels with respect to a later breach of a similar nature.

INDEMNITY. Buyer shall protect, indemnify and hold Seller free and harmless from and against any and all liability and any and all losses, costs (including, without limitation, attorneys fees), claims and courses of action in favor of any and all persons (which term shall include, without limitation, individuals, corporations, partnerships, organizations and other legal entities) whatsoever on account of injury to or death of any such persons and/or damage to or loss of the property of such persons caused by or arising out of the use or operation of the Goods or any device, material, or thing of which the Goods are made a part of, or to which the Goods may be attached, or within which the Goods may be enclosed, while in Buyer's possession or subsequent to any transfer of possession to any third party, regardless of whether Seller and/or others may be wholly, partially or solely negligent or otherwise at fault.

LIMITATION OF LIABILITY. Neither Seller nor any manufacturer of aircraft will have any obligation or liability, whether arising in contract, tort or otherwise, for loss of use, revenue or profit or for any other incidental or consequential damages with respect to any nonconformance or defect in the Goods or services provided under any order.

NOTICE. Any notice provided under this Agreement must be provided in writing. Notices shall be deemed to have been duly given at the time of receipt if delivered by hand, or if mailed, three (3) days after mailing registered or certified mail, return receipt requested, with postage prepaid. If communicated electronically, it remains the sending Party's responsibility to be able to document said communication was sent and was received by the intended recipient. As a minimum, electronic acknowledgement of receipt must be verifiable.

FORM, FORMATION AND READJUSTMENT OF THE AGREEMENT. (a) This Agreement constitutes the entire Agreement between the Parties, incorporating all prior negotiations and understandings relating to the subject matter hereof, whether written or oral. (b) The Terms and Conditions of the Agreement shall not be modified or rescinded except by written instrument executed by a corporate officer of Seller. (c) SELLER'S ACCEPTANCE OF BUYER'S OFFER TO PURCHASE GOODS IS EXPRESSLY MADE CONDITIONAL ON BUYER'S ASSENT TO ALL OF THE TERMS AND CONDITIONS OF THE AGREEMENT. Buyer's assent will be conclusively

established either by Buyer's execution of an order for Goods of which the Agreement is part of Seller's acceptance of said order, as acknowledged in writing by Seller or by Buyer's acceptance of any Goods shipped under the Agreement by Seller. (d) Seller hereby objects to any and all different and/or additional terms contained in any writing submitted or to be submitted to Seller by or on behalf of Buyer relating to the subject matter hereof, and under no circumstances are any such different and/or additional terms to be considered a part of the contract nor modify the Agreement between Buyer and Seller.

GOVERNING LAW. The Agreement shall be deemed to have been made under, and shall be construed and interpreted in accordance with, the substantive laws of the State of Texas, without regard to the otherwise applicable Texas choice of law rules.

EXPORT COMPLIANCE. All Goods shipped by Seller under this Agreement shall comply with applicable export laws and regulations, including, but not limited to, compliance with the International Traffic in Arms Regulations and Export Administration Regulations of the United States. Buyer warrants and guarantees to the Seller that the Buyer too will comply with all export laws and regulations, including, but not limited to, compliance with the International Traffic in Arms Regulations and Export Administration Regulations of the United States with regards to the Goods while the Goods are in the Buyer's possession or any other transaction or handling of the Goods by the Buyer.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION. Buyer and Seller hereby incorporate the requirements of 41 C.F.R. §§60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41 C.F.R. §60-300.5(a)ii and 41 C.F.R. §60-741.5(a), if applicable. **41 C.F.R. §60-300.5(a) PROHIBITS DISCRIMINATION AGAINST QUALIFIED PROTECTED VETERANS, AND REQUIRES AFFIRMATIVE ACTION BY COVERED PRIME CONTRACTORS AND SUBCONTRACTORS TO EMPLOY AND ADVANCE IN EMPLOYMENT QUALIFIED PROTECTED VETERANS. 41 C.F.R. §60-741.5(a) PROHIBITS DISCRIMINATION AGAINST QUALIFIED INDIVIDUALS ON THE BASIS OF DISABILITY, AND REQUIRES AFFIRMATIVE ACTION BY COVERED PRIME CONTRACTORS AND SUBCONTRACTORS TO EMPLOY AND ADVANCE IN EMPLOYMENT QUALIFIED INDIVIDUALS WITH DISABILITIES.**

AS TO ALL GOODS: Seller hereby grants to Buyer a non-exclusive, royalty-free license to use, lease, sell or otherwise dispose of (but not to duplicate, engineer, reverse engineer, manufacture, PMA, or support in any fashion the duplication, engineer, reverse engineer, manufacture, PMA, repair, reproduce, or other) the Goods under any United States or foreign patents, or other, to which the Seller possesses the right to grant such a license. Seller expressly negates and excludes any warranty that the Goods are delivered free and clear of any claim by any third person by way of infringement or the like, including, but not limited to, any claim of infringement of any United States or foreign patent, copyright, industrial design, trademark or service mark; and the Seller assumes no liability to Buyer, a User or any party leasing, selling, or otherwise disposing of any of the Goods acquired from Buyer, for any costs, expenses, losses, or damages (whether incidental, consequential, or otherwise) arising out of any such claim of infringement by reason of the Buyer, the User or such party leasing, selling or otherwise disposing of the Goods, either alone or in combination with other things. In respect to Goods manufactured in accordance with plans, specifications, or directions furnished by Buyer, Buyer shall defend and indemnify and hold Seller harmless from any and all infringement claims or the like arising out of the use, lease, sale, or other disposal of the Goods.

The United Nations Convention on Contracts for the International Sale of Goods - 1980 shall not apply to any aspect of this Agreement.