



STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions for services by Keystone Turbine Services, LLC (hereinafter "KTS"), together with the terms of sale set forth in KTS's offer, whether by initial service proposal or after inspection quote ("Offer") and submitted to Customer, will be the only terms of sale applicable to KTS's Services ("Services") described in the Offer and will comprise the entire agreement ("Agreement").

- 1. Delivery, Title, Risk of Loss and Shipping** - Title to and risk of loss of all materials and/or services sold by Keystone Turbine Services, LLC ("KTS") shall pass to Customer upon their delivery FOB at KTS's plant, to Customer or an agent of Customer, including a common carrier. Wherever transportation rates and carrier's liability for damage depend upon the value of the shipment as declared by shipper, KTS will declare such value as will entitle Customer to have materials shipped at the lowest permissible transportation rates unless otherwise instructed in writing by Customer. Upon Customer's request to KTS that KTS arrange for shipping services hereunder, KTS shall arrange for such shipping services and the applicable Proposal shall set forth the parties' understanding with respect to payment for such shipping services. Notwithstanding the foregoing, KTS shall have no liability to Customer in connection with such shipping services. Customer is responsible for delivering the product to KTS safely and undamaged.
- 2. Excusable Delays** - Customer acknowledges that the materials and services governed by these terms and conditions are to be manufactured or performed by or for KTS to fulfill this order and that the delivery and performance dates are based on the assumption that there will be no delay due to causes beyond the reasonable control of KTS. KTS shall not be charged with any liability for delay, non-delivery, or nonperformance when due to delays of suppliers, acts of God, terrorism or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather, or any other cause beyond the reasonable control of KTS. To the extent that such causes actually retard deliveries or performance on the part of KTS, the time for KTS's performance shall be extended for as many days beyond the date therefore as is required to obtain removal of such causes. This provision shall not, however, relieve KTS from using commercially reasonable efforts to avoid or remove such causes and continue performance with reasonable dispatch whenever such causes are removed.
- 3. Warranty** - KTS's warranties and Customer's remedies are set forth as a separate Attachment and made a part hereof.
- 4. Limits of Liability** - WITH RESPECT TO ANY MATERIAL AND/OR SERVICE PURCHASED UNDER THESE TERMS AND CONDITIONS AND ALLEGED TO BE THE DIRECT OR INDIRECT CAUSE OF ANY LOSS OR DAMAGE TO CUSTOMER, THE SUM EQUAL TO THE INVOICED PRICE OF SUCH MATERIAL AND/OR SERVICE (OR IF NOT SEPARATELY PRICED, KTS'S ESTABLISHED SELLING PRICE FOR SUCH MATERIAL AND/OR SERVICE) SHALL BE THE CAP ON KTS'S OR ANY OF IT RESPECTIVE PARENTS, SUBSIDIARIES AND AFFILIATES (INCLUDING BUT NOT LIMITED TO PRECISION AVIATION GROUP, INC. AND ALL OF ITS SUBSIDIARIES AND AFFILIATES), LIABILITY WHETHER FOUNDED IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, STRICT TORT LIABILITY OR BREACH OF WARRANTY), ARISING OUT OF OR RESULTING FROM (I) THIS CONTRACT OR THE PERFORMANCE OF BREACH



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THEREOF, OR (II) THE DESIGN, MANUFACTURE, DELIVERY, SALE, REPAIR, REPLACEMENT, USE OR FURNISHING OF ANY SUCH MATERIAL AND/OR SERVICE. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL KTS OR ANY OF ITS RESPECTIVE AFFILIATES HAVE ANY LIABILITY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST REVENUE, LOSS OF THE USE OF ANY AIRCRAFT, OR ANY OTHER COST, LIABILITY OR EXPENSE.

5. **Payment** - Subject to paragraph 6 of these terms and conditions, Customer shall pay to KTS the amounts set forth in the applicable Proposal within thirty (30) days of the date of the applicable invoice, unless otherwise agreed to in writing between the parties; provided, however, that KTS may subsequently demand and Customer shall be required to make payment of, any additional charge(s) accruing hereunder if not previously paid by Customer. Acceptance by Customer of the applicable Proposal (as evidenced by Customer's execution thereof) constitutes authority for KTS to expend labor and purchase material required for the performance thereof and Customer's acceptance of these terms and conditions. In the event Customer cannot or does not furnish the applicable unit to KTS in accordance with the terms and conditions hereof, KTS will invoice, and Customer will pay any and all costs and expenses incurred by KTS together with a reasonable profit thereon.
6. **Additional Charges** - The following additional charges are not reflected in the quoted prices in the applicable Proposal and shall be paid by Customer to KTS upon demand, if applicable: (i) any and all taxes, other than a tax upon the income of KTS, required to be paid by KTS as a result of its performance hereunder, including without limitation, any tax resulting from the sale, delivery, storage or transfer of goods furnished hereunder; (ii) any and all costs and expenses incurred by KTS for repairing or adding to any Customer - furnished parts, material or equipment found not otherwise suitable for its intended use; (iii) any and all costs and expenses incurred by KTS due to late receipt of Customer - furnished parts and materials which contribute to work interference and/or delays; and (iv) any and all costs and expenses incurred by KTS due to any deletions, additions or modifications made by the Customer to the applicable contract specifications after execution by the Customer of the applicable Proposal and requiring modification of the work schedule or additional labor, parts, and materials.
7. **Collections** - In the event it becomes necessary for KTS to initiate legal action to collect any sum owing under this Contract, Customer shall pay all costs, expenses and reasonable attorney's fees that KTS may incur in connection with such collection.
8. **Export License** - The full performance by KTS under this Contract is subject to the receipt of all applicable United States Government export licenses and approvals. KTS agrees to provide assistance to Customer to obtain any required United States export license; however, the responsibility and cost for obtaining any license is the responsibility of the Customer. Customer acknowledges and understands that the length of time from application for, and receipt of the necessary United States export license, is uncertain. Accordingly, Customer shall use its best efforts to obtain any required United States export license in a manner to support the timely delivery of the unit provided hereunder. To the extent an export license is required and Customer requests KTS's assistance in accordance with the provisions hereof, Customer hereby agrees to provide to



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KTS in writing at least six (6) months prior to the applicable delivery date of the unit for the purpose of obtaining the export license the intended destination for the unit and the name of point of contact and telephone number of point of contact. In addition, Customer agrees to promptly provide any additional information and complete any documentation required by the United States Government to enable the delivery of the unit. Failure to provide KTS with any of the foregoing information when required, any subsequent change to the foregoing, or any other cause that may delay the receipt of a required United States export license may result in a delay of the delivery of the unit. Any delivery delay caused thereby shall be deemed an Excusable Delay under paragraph 2 of these terms and conditions.

9. **Export Restrictions** – Customer acknowledges and understands that the materials purchased under these terms and conditions may include Munitions List Items (MLI) or Commerce Controlled List Items (CCLI). MLI/CCLI property is subject to the United States International Trafficking in Arms Regulation (ITAR) or applicable Export Control Laws and Regulations (ECLR). Customer hereby represents and certifies that it assumes all responsibilities for export compliance and ensure the materials will not be exported, drop shipped, released, or disclosed to foreign nationals inside or outside the United States without first complying with export authorization requirements of the ITAR or the ECLR.
10. **Import** - Customer shall be responsible for obtaining and complying with any and all import licenses or other authorizations and import taxes or fees which may be required by the country of destination for importing the material and/or unit provided hereunder. Customer will provide all available information that is reasonably necessary or useful for KTS to receive products, including, without limitation, certificates of origin and manufacturer's affidavits. International shipments should be consigned to KTS with the notified party on the Airway Bill stated as agreed upon between the parties.
11. **Lien** - KTS shall have a lien upon Customer's unit for the cost of all work performed hereunder and for the cost of all parts furnished by KTS hereunder, including, without limitation, reasonable compensation for storage incurred by KTS by reason of delay in delivery of Customer's unit for any period in excess of one (1) week during which delivery thereof is delayed by Customer's fault or responsibility.
12. **Assignment** - This Contract shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, but it may not be voluntarily assigned, wholly or in part, by either party hereto without the prior written consent of the other party.
13. **Construction** – This Contract shall be interpreted in accordance with the plain English meaning of its terms, and the construction thereof shall be governed by the laws of the Commonwealth of Pennsylvania, United States of America, without application of Pennsylvania's conflict of law principles. The parties further agree to submit to the jurisdiction of both the state and federal courts of the Commonwealth of Pennsylvania.
14. **Non-Disclosure** - With exception for the existence of this Contract, the parties hereby agree that neither party shall disclose to any third party the contents of this Contract without the prior written approval of the other party except as may be required in the performance of this Contract.



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15. **Entire Agreement** – These terms and conditions and the applicable Proposal to which these terms and conditions apply contain constitute the entire agreement between the parties hereto and shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof, and no agreement or understanding varying or extending the same will be binding upon either party hereto unless in writing, signed by a duly authorized officer or representative thereof.
16. **Notices** - All notices or communications of any kind under and with respect to this Contract shall be in the English language. All legal notices shall be given by hand delivery or registered mail and, if to the Customer, shall be addressed as indicated in the applicable Proposal; and if to KTS, shall be addressed to Keystone Turbine Services LLC, 885 Fox Chase, Suite 111, Coatesville, Pennsylvania 19320, U.S.A., Attention: General Manager. The effective date of each such notice shall be the date it is received.