



ADDITIONAL TERMS AND CONDITIONS (FOR ALL TRANSACTIONS, WORK, OR SERVICES)

1. APPLICATION

These additional terms and conditions (“Terms and Conditions”) shall apply to any and all of AeroWorx, Inc.’s (“AeroWorx’s”) sales to, work or services for, or other transactions with any customer (“Buyer”). All of such sales, work, services and other transactions shall be governed by these Terms and Conditions, whether or not these Terms and Conditions are referenced in or attached to the customer’s order, contract, or invoice. AeroWorx will not be deemed to have waived these Terms and Conditions if it fails to object to provisions submitted by Buyer, or if any provisions submitted by Buyer are contrary to these Terms and Conditions (in which event any such provisions submitted by Buyer are hereby and shall be deemed to be rejected by AeroWorx). Any modification or addition to these Terms and Conditions must be in writing and signed by the president of AeroWorx and an authorized representative of Buyer.

2. PAYMENT TERMS

Payment terms are COD unless otherwise agreed to in writing by AeroWorx and Buyer.

3. PRICE

The cost estimate hereby provided by AeroWorx to Buyer (which does not include any shipping or delivery costs, all of which shall be the sole responsibility of Buyer) shall be the agreed upon price for AeroWorx’s sale to, work or services for, or other transaction with Buyer, subject to the following: The cost estimate hereby provided by AeroWorx to Buyer (“the original cost estimate”) is based upon the information presently known by AeroWorx. In the event that AeroWorx subsequently obtains additional information that increases such original cost estimate, AeroWorx shall have the right to either: (a) perform pursuant to the original cost estimate; or (b) send to Buyer a new written cost estimate (“the new cost estimate”). Should AeroWorx send to Buyer the new cost estimate, Buyer shall have up to seven (7) days thereafter to send a written acceptance of such new cost estimate to AeroWorx. In the event that Buyer does not send such written acceptance to AeroWorx within such seven (7) days, then AeroWorx shall not be required to perform, AeroWorx shall have no obligation(s) to Buyer whatsoever, and any property of Buyer that is the subject of the above cost estimates shall be shipped back to Buyer at Buyer’s sole expense.

4. ESTIMATED COMPLETION

Any estimated completion date provided by AeroWorx to Buyer is merely an estimation, and is subject to change by AeroWorx at any time without notice to Buyer. Such estimated completion date is not, and shall not be construed as, any agreement or promise by AeroWorx concerning the actual completion date. In no event will AeroWorx, or its agents, employees or representatives, be liable for any failure to complete any sale to, work or services for, or other transaction with Buyer by any estimated completion date provided by AeroWorx to Buyer.

5. BUYERS PROPERTY

Property of the Buyer in possession of AeroWorx will be held without liability to AeroWorx, except where loss or damage thereto is due to the sole gross negligence or willful misconduct of AeroWorx.



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6. REPAIR/OVERHAUL WARRANTY

- a. For purposes of the below repair/overhaul warranty (individually and collectively “warranty”), the term “repair” means returning malfunctioning or damaged product to a serviceable condition in accordance with applicable publications and AeroWorx's applicable specifications and drawings by correcting malfunctions and/or damage. For purposes of the below warranty, “overhaul” means performing, in accordance with applicable publications and AeroWorx's applicable specifications and drawings, (1) disassembly of product, (2) inspection, (3) repair, (4) other rework and replacement of component parts, (5) re-assembly and (6) test.
- b. The following warranty shall run to the Buyer, its successors, assigns, and customers.

REPAIR WARRANTY: AeroWorx warrants that repair furnished by AeroWorx is free from defects in material and workmanship with respect to replaced parts and repair services.

OVERHAUL WARRANTY: AeroWorx warrants that overhaul furnished by AeroWorx is free from defective material and workmanship.

- c. The warranty period shall expire 12 months after first use of the product repaired or overhauled hereunder or 12 months after delivery of the product to Buyer, whichever is earlier. The correction of any product pursuant to this warranty shall not extend the aforementioned warranty period.
- d. The responsibility of AeroWorx and the sole and exclusive remedy of Buyer, its successors, assigns and customers, for a breach of warranty hereunder is limited to correction by AeroWorx, at its plant, of any defect in any product returned to AeroWorx which has been caused by such breach of warranty; provided however, (1) AeroWorx must be notified in writing of the defect within the warranty period, and the product returned to AeroWorx within (30) days after discovery of such defect, and (2) AeroWorx shall not be responsible for costs of removal and reinstallation of said product.
- e. AeroWorx shall have the sole right to determine whether correction shall be by rework or replacement.
- f. AeroWorx shall not be liable under this warranty if the product has been exposed or subjected to:
 - (1) Any maintenance, repair, installation, handling, transportation, storage, operation or use which is not in compliance with AeroWorx's instruction; or
 - (2) Any alteration, modification or repair by anyone other than AeroWorx or those specifically authorized by AeroWorx; or



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- (3) Any accident, contamination, foreign object damage, abuse, neglect or negligence after delivery to Buyer; or
- (4) Any damage precipitated by failure of an AeroWorx supplied part not under warranty or by any part not supplied by AeroWorx.
- g. (g) AeroWorx's obligations under this warranty are conditioned on Buyer's obligation to maintain records which will accurately reflect operating time and maintenance performed on product and establish the nature of any unsatisfactory condition of product. AeroWorx, at its request, shall be given access to such records for substantiating warranty claims.
- h. AeroWorx shall pay for ground freight shipping costs to and from AeroWorx's plant for the return of a product to AeroWorx's plant for correction as a result of AeroWorx's breach of warranty hereunder; except for the payment of the above ground freight shipping costs, AeroWorx shall not be responsible for payment of any shipping costs resulting from AeroWorx's breach of warranty hereunder. Buyer shall bear the risk of loss or damage to the product while in transit. If AeroWorx reasonably determines, after analysis of the returned product, that a breach of warranty does not exist, then Buyer will pay all expenses related to the improper return including, but not limited to, diagnostic expenses and the above ground freight shipping costs.
- i. The above repair/overhaul warranty is exclusive and in lieu of all other warranties, whether written or oral, express, implied or statutory, including but not limited to, any written, oral, or implied warranties of merchantability or fitness for particular purpose which are hereby expressly disclaimed. no extension or modification of this warranty shall be binding upon AeroWorx unless set forth in writing and signed by AeroWorx's president.

7. MODIFICATIONS

Any proposed modification will be evidenced by a written work change request submitted by Buyer and must be agreed to in writing by AeroWorx. If, in AeroWorx's discretion, the proposed modifications would cause a material increase or decrease in the cost of, or the time required for the performance of, any part of the work in this Order, AeroWorx shall be entitled to an equitable adjustment in the purchase price or delivery schedule or both. The change will become effective, and AeroWorx will commence performance, after the Parties have agreed in writing upon any equitable adjustments applicable to the modifications, and the Purchase Order shall be deemed to be modified to include the modifications. Unless otherwise agreed in writing, upon performance of the change order, AeroWorx will be entitled to invoice Buyer for the costs of the change, even if AeroWorx agreed to proceed with the change prior to such written agreement.

8. LIMITATIONS OF LIABILITY

In no event will AeroWorx, or its agents, employees or representatives, be liable for any incidental damages, consequential damages, special damages, indirect damages, loss of profits, loss of revenues, loss of use, or damages to business, even if informed of the possibility of such



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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.

9. INDEMNIFICATION

Buyer shall hold harmless, indemnify, defend, and protect AeroWorx, and its employees and agents from and against any losses, expenses, demands, claims, causes of action and lawsuits, including but not limited to those based upon any actual or alleged damage to any property or injury to or death of any person, except those that arise from the sole negligence or Willful misconduct of AeroWorx.

10. INVALIDITY

Should any portion, provision, phrase or clause of the above Terms and Conditions be declared invalid or unenforceable by a court of competent jurisdiction, then such portion, provision, phrase or clause shall be deemed to be severed from the above Terms and Conditions and shall not affect the remainder of said Terms and Conditions.

11. JURISDICTION

Any and all claims, causes of action or lawsuits in any way relating to or arising out of any of AeroWorx's sales to, work or services for, or other transactions with Buyer shall be brought/filed in the Los Angeles County Superior Court of the State of California, and the Los Angeles County Superior Court of the State of California shall be the only proper venue for any such claims, causes of action, or lawsuits.

12. QUOTE VALIDITY DURATION

Prices and estimated lead times are valid for a thirty (30) day period from the date sent by AeroWorx, unless otherwise noted in writing. After thirty (30) days, unless confirmed in writing by AeroWorx, AeroWorx reserves the right to adjust the price and estimated lead time. Confirmation of quoted price after the thirty (30) day period does not indicate confirmation of the quoted lead time, and vice-versa.

13. ABANDONED PROPERTY

One hundred eighty (180) days after the quote has been submitted by AeroWorx to the Buyer, if the Buyer does not respond to the quote (approval or rejection), AeroWorx reserves the right to dispose of the property at will (including but not limited to scrapping, shelving, or salvaging). At this point, the property becomes AeroWorx's property and the Buyer no longer holds and claim to it.