

W.S. Wilson Standard Terms and Conditions for Sale of Parts

1. Applicability. These Terms and Conditions (these “Terms and Conditions”) are applicable to sales by W.S. Wilson Corp. (“Distributor”), to its customers (each, a “Customer”, and together with Distributor, the “Parties”) of various parts manufactured by third parties, including without limitation, bearings, bushings, hardware and other consumables for the aviation and defense industries (collectively, “Parts”). Acceptance of Customer’s offer(s) in any form, including purchase orders, is expressly conditioned upon Customer’s consent to these Terms and Conditions. By accepting Distributor’s Quotation for Sales of Parts (“Sales Quotation”) and/or delivery of Parts, or the issuance of a purchase order in order to purchase from Distributor, Customer agrees to be bound by these Terms and Conditions, and agrees that any other document containing Customer’s own terms and conditions shall be of no force and effect.

2. Acceptance of Shipments of Parts. Customer agrees that the type, quality and quantity of Parts shipped under a packing list and invoice (“Invoice”) in accordance with Distributor’s Terms and Conditions, shall automatically be deemed approved and accepted upon delivery, unless written notice of non-conformity is sent within ten (10) days of delivery. Customer waives any and all claims against Distributor for non-conformity of Parts if non-conformity was observable upon reasonable inspection or testing at the time of delivery. Any Parts shipped by Distributor, that become subject to a notice of non-conformity, are deemed to have been shipped as an accommodation to Customer. Customer agrees that Parts subject to a notice of non-conformity shall be held for further inspection by Distributor so that Distributor can determine whether they should be repaired or replaced.

3. Price. Except as otherwise specified on the face of Distributor’s Sales Quotation or Invoice, the purchase price for Parts shall be Distributor’s list price for such Parts, in current year U.S. dollars, at the time of shipment. All Sales Quotations are valid for thirty (30) days unless otherwise agreed to by the parties. In addition to the purchase price, Customer shall be responsible for (i) all applicable federal, state and local sales, use, property, excise and other taxes, duties or governmental charges imposed on or with respect to Parts, (ii) all transportation costs incurred in connection with the shipment of Parts, and (iii) all tariffs and/or other charges imposed on the import of Parts by a foreign government.

4. Payment. Unless otherwise agreed in writing in accordance with paragraph 24 of these Terms and Conditions, payments are due net thirty (30) days after shipment of Parts. Terms of payment for a Customer who has not established credit terms will be determined solely by Distributor. Balances outstanding beyond the net 30 day period referenced above are subject to collection costs and an interest charge of 1.5% per month. In the event a Customer has a balance outstanding for a period beyond their normal credit terms, Distributor is not obligated to ship any Parts under any order to such Customer. Customer hereby grants to Distributor a security interest in Parts shipped under this Agreement. Distributor reserves the right to change credit terms and/or credit limits at any time without notice.

5. Delivery. The approximate date of shipment(s) shall be set forth in the Sales Quotation. Distributor shall have the right to deliver the entire sales order under a Sales Quotation at one time, or in portions, within the time of delivery specified in the Sales Quotation. Deliveries will be made under commercially reasonable standards. Distributor is not liable for any damages for delay in delivery or failure to deliver by carrier. Payment for partial shipments

are due net thirty (30) days from date of shipment(s). The price for partial shipments will be pro-rated as determined by Distributor and reflected on its Invoice. This Order may contain licensable technical data covered under the International Traffic in Arms Treaty (ITAR). Prior to any export or release to any non-U.S. person or entity of licensable data, Customer must obtain export approval from the U.S. Dept. of State, Office of Defense Trade Controls. If exporting it is the Customer's sole responsibility to determine the status of Goods for export compliance.

6. Method of Shipment/Risk of Loss. All Parts will be shipped "Ex Works" origin. Customer is responsible for payment of shipping costs, for methods of shipment and for any freight insurance. Unless otherwise agreed in writing, Distributor is authorized to ship Parts by carrier, it being the intention of the Parties hereto to create a "shipment contract" within the meaning of the UCC. Any special shipping instructions must be agreed to in writing. The risk of loss of Parts and title to Parts shall pass to Customer upon delivery of Parts to a carrier.

7. Right to Cure. Distributor shall have the right to cure all non-conformities of Parts and the tender thereof without regard to whether Distributor had reasonable grounds for believing that the tender or non-conformities would be acceptable. Distributor shall have such right to cure even if Distributor's time to do so extends beyond the initial time for performance hereunder. The Parties' acknowledge and agree that, to the extent that the sales order refers to more than one delivery, the sale is, and shall be deemed to be, an installment contract within the meaning of said Section 2-612 of the UCC. The Parties rights and obligations hereunder shall be construed in accordance with Section 2-612, even if it is determined that this is a unitary contract with several deliveries. In the event a non-conformity is discovered or should have been discovered, in time to prevent any personal, property or economic damages, the continued use of the suspect non-conforming Parts will constitute an assumption of the risk by Customer and a bar to any recovery against Distributor for preventable damages.

8. Certification. All shipments of Parts will be accompanied by (i) a certificate of compliance executed by the manufacturer of such Parts to the extent such certificate has been delivered by manufacturer to the Distributor; (ii) to the extent required by law or regulation, an executed FAA Form 8130 executed by the manufacturer; and (iii) a certificate executed by the Distributor certifying that it is an approved distributor under FAA AC No: 00-56B. Distributor is not obligated to provide any additional certifications. Customer acknowledges that Distributor does not and shall not be obligated to ensure, warrant or certify in any manner that Parts conform to any international, federal, state or local laws, rules, or regulations. Distributor shall not be responsible for complying with any rules or requirements imposed by the Federal Aviation Administration ("FAA"), Department of Transportation ("DOT"), Department of Defense ("DOD") or any other governmental authority of any type, with regard to the sale, production or use of aircraft parts. Distributor shall have no liability if Parts fail for any reason whatsoever to comply with the rules, order or regulations of the FAA, DOT, DOD or other governmental authority.

9. Return Policy. There shall be no returns unless Customer first obtains a Return Goods Authorization ("RGA") number from Distributor. No credit will be issued until a Part has been returned. Customer must provide Distributor with a written reason for the return and must also simultaneously provide an e-mail address so Distributor may provide the RGA to

Customer electronically. Risk of Loss shall remain with Customer until Parts are received by Distributor. If Parts are returned as non-conforming, Distributor will specify in the RGA authorization for payment by Distributor of inbound freight charges. Any inbound freight charges incurred by Distributor shall be subject to reimbursement by Customer if the Parts in question are determined to be conforming. If Distributor agrees to issue an RGA for conforming Parts, Distributor has the right to charge a restocking fee of 15% of sales price which Customer shall be obligated to pay.

10. Selection and Inspection of Parts. The selection of Parts for purchase is the sole responsibility of Customer. Distributor does not provide aviation or engineering expertise with regard to Part design, engineering, compatibility, or use. Customer acknowledges and agrees that it hereby waives any claim and is barred from any recovery against Distributor with regard to a claim for unsatisfactory design, manufacture, selection, inspection, use, compatibility or installation of Parts. To the extent permitted by the applicable manufacturer, if prior notice is given, Customer may conduct examination of Parts and related documentation at the facility of the applicable manufacturer.

11. Manufacturer's Warranty(s); Distributor's Limited Warranty.

Distributor is not a manufacturer. Distributor sells Parts procured from manufacturers. Parts may be accompanied by whatever warranties are issued by the manufacturers. Customer may examine the manufacturer's warranties prior to shipment. Distributor does not provide, adopt, guarantee or extend any manufacturer's warranties.

Distributor may elect, but is not obligated, to administratively assist Customer with regard to any warranty claims made by Customer against manufacturers whose Parts have been supplied under this Agreement. Distributor's administrative assistance does not carry with it any assumption of legal responsibility for satisfying warranties, any legal responsibility for the expenses of filing, pursuing or resolving any manufacturer warranty claim or any acknowledgement as to the validity of any warranty claim against a manufacturer.

Distributor's sole warranty under these Terms and Conditions is that it will repair or replace Parts that are shown to be defective in design, manufacture or not in conformity with the specifications provided by the Customer and accepted by the Distributor within 12 months from shipment. Notice of Warranty claim must be given in writing within warranty period.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, DISTRIBUTOR HEREBY DISCLAIMS FOR ITSELF ANY WARRANTIES, EXPRESS OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT AND WARRANTIES, BASED ON COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE.

Nothing set forth in the Sales Quotation, Invoice or packing list shall be deemed a warranty of any kind. Any description of Parts in the Sales Quotation, Invoice or packing list and any description of Parts contained in any and all brochures, pamphlets or other literature of Distributor, hard copy or on line in electronic format, whether delivered before or after the date hereof, are not warranties. Such descriptions do not constitute a warranty that Parts shall

conform to those descriptions. The use of any sample, model or drawing is for illustrative purposes only, conformity of Parts to such sample, model or drawing is not part of the basis of the bargain, and is not a warranty that Parts will conform to the sample, model or drawing. No affirmation of fact or promise made by or on behalf of Distributor shall constitute a warranty that Parts will conform to the affirmation or promise.

12. LIMITATION OF LIABILITY AND REMEDIES.

To the extent permitted by applicable law, Customer, for itself, its successors, assigns and its customers, hereby waives any claim for consequential, exemplary, incidental, indirect, punitive or special damages, or lost profits or expenses or losses directly or indirectly arising out of or relating to the sale of Parts under these Terms and Conditions. This waiver is binding regardless of whether the liability resulted from any general or particular requirement or need that Distributor knew or should have known.

To the extent permitted by applicable law, notwithstanding anything to the contrary contained herein, the maximum liability of Distributor with respect to damages directly or indirectly arising out of the sale of Parts under these Terms and Conditions shall be limited to the purchase price specified in Distributor's Invoice, but only to the extent such purchase price has been paid by Customer and collected by Distributor. Distributor does not authorize any employee, agent or other person to assume any other liability for Distributor in connection with the sale of Parts hereunder.

13. Title/Intellectual Property/Infringement.

Distributor does not hold title to, or own any intellectual property or rights in the Parts being distributed. Distributor makes no representations or warranties as to whether Parts furnished by Distributor hereunder (i) are free from liens, or claims of misappropriation of trade secrets or other proprietary rights, or (ii) do not infringe or contribute to the infringement of any patents, trademarks, copyrights or other intellectual property rights either in the United States of America or any foreign country. Upon written request Distributor will provide copies of any assurances or warranties issued by manufacturers concerning title and intellectual property rights.

Distributor does not adopt any title or intellectual property warranties, assurances, representations, indemnification agreements, or insurance coverage provided by the manufacturer with regard to its title and intellectual property rights in Parts supplied under these Terms and Conditions.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, DISTRIBUTOR HEREBY DISCLAIMS ANY AND ALL LIABILITY FOR CLAIMS OF TITLE INFRINGEMENT, INTELLECTUAL PROPERTY INFRINGEMENT AND OTHER CLAIMS ARISING OUT OF ANY OWNERSHIP OR INTELLECTUAL PROPERTY RIGHTS IN THE PARTS.

14. Export Prohibition. Customer may not export any Parts sold under this Agreement unless such activities are in full compliance with all United States laws, regulations and agency

orders. In particular, Parts may not be exported or re-exported to a national or resident of any country that is under any United States embargo or sanction. This restriction includes but is not limited to anyone or any organization on the U.S. Treasury Department's list of Specially Designated Nationals, any U.S. Commerce restricted list, any U.S. State Department restricted list, or other governmental export restriction. In addition, Customer is responsible for complying with any import/export laws, regulations or orders in Customer's country or the Customer's designated country of delivery, which may impact Customer's right to import, export, or use Parts.

15. Force Majeure. Distributor shall not be liable for any failure of or delay in delivery of Parts by reason of *force majeure*. This disclaimer includes, but is not limited to, failures or delays resulting from transportation delays, delays in delivery, governmental regulation, labor disputes, strikes, war, fire, flood, terrorism, fuel shortages, accidents, acts of God, civil disturbance, financial crisis, quota restrictions, unavailability of necessary raw materials or any other cause beyond Distributor's control, whether or not such cause be of the same class or kind as those enumerated above, such enumeration being expressly understood to be in addition to other causes or classes of causes beyond Distributor's control. In the event of the occurrence of any such causes, Distributor shall have the right to allocate deliveries among its customers in such proportion as it deems appropriate, in its sole and absolute discretion.

In the event Distributor is unable to make timely delivery of all or a portion of Parts, by reason of any events or occurrences referred to in this paragraph, Customer agrees to accept delivery of Parts whenever Distributor is able to make such delivery regardless of the duration of the delay in delivery of such Parts, or Distributor may, in its sole and absolute discretion, cancel the undelivered portion of the underlying Sales Quotation without liability.

16. Limitation of Action. No action or proceeding at law, in equity or otherwise shall be commenced by Customer against Distributor for Distributor's alleged failure to deliver conforming Parts or other breach of any obligation or duty owed by Distributor hereunder, or under applicable law, unless: (i) Customer notifies Distributor in writing at the address specified in the underlying Sales Quotation within thirty (30) days from the date of such alleged breach or violation and Distributor does not remedy or correct the breach or violation within sixty (60) days from the receipt of the notice; and (ii) such action or proceeding is commenced by Customer within twelve (12) months from the date the breach occurs for any action whether in contract, tort or strict liability.

17. Default. It shall be deemed an event of default if (i) Customer breaches or fails to perform any of its representations, covenants or obligations to Distributor under Distributor's Terms and Conditions or Distributor's Invoice; or (ii) Customer makes a general assignment for the benefit of creditors, or seeks protection under any federal or state insolvency statute or law, or a substantial part of the assets of Customer are placed in the control of a receiver, custodian, trustee or similar official, or Customer consents to the appointment thereof.

In the event Distributor reasonably believes that Customer is likely to be in default, then Distributor shall have the right to demand adequate assurance of due performance. It shall also be deemed an event of default if satisfactory assurances are not given immediately.

Upon the occurrence of an event of default, Distributor shall have the sole and absolute right to refuse to deliver all or any portion of Parts ordered by Customer under any order with

Distributor. Further, all unpaid Invoices issued by Distributor to Customer shall immediately become due and payable. Upon the occurrence of an event of default, Distributor shall have the authority, at its option and without the obligation to do so, to authorize the manufacturer to complete the manufacture of Parts otherwise intended for Customer. Distributor shall have the authority to resell the completed Parts in a commercially reasonable manner, and Customer shall be liable and responsible for any resulting losses and damages to Distributor.

18. Customer's Representation Regarding Insolvency. Customer hereby represents and warrants to Distributor that Customer is not insolvent within the meaning of § 1-201(23) of the UCC and Customer hereby acknowledges that it made this representation to Distributor immediately prior to the first delivery of Parts.

19. Choice of Law and Forum. The Parties acknowledge and agree that these Terms and Conditions and any related order shall be a contract made in the State of New York. All questions pertaining to the validity, construction, execution and performance thereof shall be construed and governed in accordance with the laws in effect in the State of New York (including, without limitation, the UCC), without giving effect to principles of (i) comity of nations or (ii) conflicts of law. These Terms and Conditions and any related order shall not be governed by the provisions of the U.N. Convention on Contracts for the International Sale of Parts. Except in respect of any action commenced by a third party in another jurisdiction, the Parties hereto agree that any legal suit, action, or proceeding against them arising out of or relating to these Terms and Conditions or any underlying order shall be brought exclusively in the United States Federal Courts or Nassau County Supreme Court, in the State of New York. The Parties hereby accept the jurisdiction of such courts for the purpose of any such action or proceeding and agree that venue for any action or proceeding brought in the State of New York shall lie in the Eastern District of New York or Supreme Court, Nassau County, as the case may be. Each of the Parties hereby irrevocably consents to the service of process in any action or proceeding in such courts by the mailing thereof by internationally recognized overnight courier or United States registered or certified mail postage prepaid at its address set forth herein.

20. Cumulative Remedies. All of Distributor's rights and remedies hereunder shall be cumulative and not exclusive and shall be in addition to all other rights and remedies available under applicable law including, without limitation, the right to withhold delivery, stop delivery, resell and recover damages, recover damages for non-acceptance, commence an action for the price, cancel the Sales Quotation, and seek incidental and consequential damages, without giving effect to the limitations set forth in Section 1-106(1) of the UCC, as amended. Failure by Distributor to exercise any right, remedy or option hereunder or under applicable law, or delay in exercising same, will not operate as a waiver, it being understood that no waiver by Distributor will be effective unless it is in writing and signed by Distributor, and then only to the extent specifically stated.

21. Infringement Claims against Distributor. If third party claims of infringement or misappropriation are made against Distributor for Parts sold in compliance with designs, drawings or specifications supplied by Customer, Customer hereby indemnifies, defends and holds Distributor harmless from and against any and all damages of whatsoever kind and nature, including reasonable attorneys' fees and expenses (including any fees and expenses incurred in enforcement of this indemnity), imposed upon, incurred by, asserted, threatened or awarded against Distributor directly or indirectly arising out of, relating to or resulting

from (i) the infringement of any foreign or domestic patent, copyright or trademark, and/or (ii) the manufacture, sale or distribution of such Parts.

22. Final, Complete and Exclusive Agreement. This writing, along with the Invoice issued herewith, is intended by the Parties hereto to be a final, complete, exclusive and integrated statement of the Parties' agreement with respect to the terms and conditions of sale. All prior or contemporaneous oral or written statements are hereby excluded and are superseded. No course of performance, course of dealing or usage of trade shall be admissible to contradict, supplement or explain the terms of these Terms and Conditions. A party's acceptance of or acquiescence to a course of performance under this Agreement shall not be admissible to modify, waive, supplement or explain the Terms and Conditions herein.

23. Modification of Sales Terms and Conditions. The Terms and Conditions contained herein, may not be modified or amended except by a document in writing signed by the party or Parties against whom enforcement is sought. Thus, for any agreement, Invoice, amendment, addendum, schedule, or other document to be enforceable under these Terms and Conditions, the document must be attached and state that it is incorporated by reference to these Terms and Conditions. Any document inconsistent with these Terms and Conditions is not effective unless the Parties have mutually agreed in writing to modify a term or condition and such modification is only effective as to the specific term or condition expressly modified.

24. Assignment. These Terms and Conditions shall be binding upon the Parties. Customer shall not have the right to assign its rights, benefits or duties hereunder without the prior written consent of Distributor, which Distributor may withhold in its sole discretion. Any assignment in contravention of this provision shall be null and void and of no legal force or effect.

25. Notices. All notices made hereunder shall be made in writing, and shall be deemed adequately delivered if delivered by (i) certified mail, return receipt requested, postage pre-paid, (ii) by a courier service that regularly maintains records of its pickups and deliveries, or (iii) by an internationally recognized overnight courier, addressed to the Parties at their respective addresses set forth above or to any other address designated by written notice of such address change. Mailed notices shall be deemed given three (3) days after mailing and notices sent by courier shall be deemed given when delivered to the courier service.

26. Captions and Severability. The headings and subheadings contained in these Terms and Conditions are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent, or intent of these Terms and Conditions or any provisions hereof. Any provision of these Terms and Conditions that may be deemed invalid or unenforceable in any jurisdiction shall not impair the validity or enforceability of the remaining terms and provisions hereof. Further, to the extent that any term or provision hereof is so deemed invalid, void or otherwise unenforceable, but may be made enforceable by amendment hereto, the Parties agree that such amendment may be made so that the same shall, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in any such jurisdiction in which enforcement is sought.