

EuroTec Terms and Conditions of Sale (2011)

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APPLICATION: All goods (referenced inclusively as “goods”, “equipment”, “engine”, “core”, “module” “articles”, “components”, “products”, “parts”, “rentals” and other similar product terms) and services (such as MRO or consulting) sold, exchanged or rented to the Customer (referenced inclusively as “the Buyer”, “the Renter” or similar terms from this point forward) are subject to these EUROTEC VERTICAL FLIGHT SOLUTIONS, LLC “AKA EuroTec VFS, LLC” or “EuroTec” Terms and Conditions.

1. **Part I:** General Terms and Conditions
2. **Parts II-IV:** Applicable special Terms
3. **Part V:** A Limited Warranty as described in Part V may be applicable given by the manufacturer, EuroTec or third-party vendor. EuroTec’s Limited Warranty is stated in Part V and is applicable only to the sale of goods provided directly by EuroTec. With the purchase of certain types of equipment furnished through but not directly by EuroTec, the manufacturer’s or a third-party vendor’s warranty and terms and conditions may apply and would not be offered in conjunction with EuroTec’s Limited Warranty (i.e. purchase of new or repaired Turbomeca equipment will be subject to the Limited Warranty from Turbomeca).
4. **Supplementary Terms:** EuroTec’s Quotation and Invoice will state any special supplementary Terms and Conditions.

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PART I: GENERAL TERMS AND CONDITIONS

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ORDER PROCESS: Quotation/Buyer Purchase Offer or Order/EuroTec Acceptance EuroTec will issue a Quotation which is an invitation to the Buyer to submit an offer to purchase to EuroTec. The quotation will specifically reference these Terms and Conditions. To form a contract, EuroTec must, in its own discretion, accept the Buyer’s Purchase Order indicated by receipt from EuroTec of an order acknowledgment or by EuroTec undertaking to fill the order. Upon acceptance, the Buyer’s purchase offer becomes a Purchase Order. These Terms and Conditions shall apply to the Purchase Order to the exclusion of any terms and conditions contained in any order form or communication of the Buyer not specifically agreed to in writing by EuroTec. EuroTec’s acceptance of the Buyer’s offer for the purchase of equipment or services is hereby expressly made conditional on the Buyer’s acceptance of EuroTec’s Terms and Conditions.

VALIDITY OF QUOTE: Unless otherwise specified, the prices quoted are valid for one month. A Quotation sent to the Buyer is not a guarantee of acceptance by EuroTec. All goods within the Quotations are subject to prior sale and/or withdrawal from the market by EuroTec at any time without notice.

MINIMUM ORDER: A minimum order may apply. EuroTec will notify the Buyer at time of Quotation should there be any minimum order amount.

ORDER PROCESS: Changes or Substitutions EuroTec may supply goods or services by way of alternate parts which do not affect price, installation or the interchangeability of major parts. No other modification of the

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order is binding unless agreed to in writing by both parties. EuroTec will make reasonable effort to contact the Buyer and seek approval first before any substitutions are installed and/or shipped against the Buyer's Purchase Order.

ORDER PROCESS: Backorders / Delay EuroTec will notify the Buyer of any backorders or known delays at the time of confirmation / Purchase Order. Purchase Orders will be fulfilled and shipped as stated in the Purchase Order subject to any backorders or other delays noted. EuroTec shall have the full right to delay the delivery of a Purchase Order for any unforeseeable reason. EuroTec shall not be responsible or held liable for delay in shipment, order fulfillment, or loss of revenue by the Buyer or Operator or other third party for any reason. Upon delay, the time for delivery will be extended accordingly without penalty or interest. The Buyer remains obligated for the purchase during periods of delay.

ORDER PROCESS: Back Order Deliver When back ordered equipment is received at EuroTec, pending backorders are automatically issued and shipped to the Buyer. If the Buyer has requested (in writing) that he is to be notified prior to delivery of back ordered equipment, EuroTec will comply with this request. However, a limit of 15 days for the Buyer to authorize delivery of the backorder is imposed. Backorders not authorized for delivery in this 15 day time period, and are subject to cancellation and restocking fees. A restock charge of 15% of the equipment's Purchase Order price is imposed.

ORDER PROCESS: Export Permits, Munitions and Taxes The order may be subject to applicable U.S. export controls. The Buyer will not export military peculiar parts or export commercial goods to any country where forbidden by laws of the United States. The proper license and permits are required for the trade and export of any product on the Federal Munitions list. Diversion to United States law and the department of foreign commerce is prohibited. EuroTec will not accept any liability or responsibility for violations of the United States department of international traffic in arms regulations or fines that may occur due to the Buyer's exportation of military peculiar parts or export of commercial goods to any country with which the United States has forbidden. The Buyer is responsible for all taxes, duties and other charges of any nature (other than EuroTec's own income taxes), including interest and penalties thereon, arising from the sale, delivery, or use of the goods or from the provision of services under this Purchase Order. The Buyer will reimburse EuroTec for any such charges EuroTec may be required to pay directly to a governmental authority or to a designated facility which performs any of the services covered under this order.

ORDER PROCESS: Termination EuroTec may terminate the Purchase Order or any part of the Purchase Order at any time by written notice to the Buyer including if the Buyer fails to pay any amount when due or if the Buyer becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee or custodian is appointed of the Buyer or a substantial part of the Buyer's property. On termination, EuroTec shall have no further obligation to the Buyer under the order and the Buyer will reimburse EuroTec's termination costs, including a reasonable allowance for profit, and all legal fees and expenses incurred in connection herewith.

SHIPPING: Delivery EuroTec will deliver the equipment covered by this Purchase Order to the Buyer or the Buyer's carrier at EuroTec's dock in Eudora, Kansas or other location as specified in the Quotation. All expenses relating to shipment (or return of equipment on exchange) are the responsibility of the Buyer. Title and risk pass to the Buyer upon this Delivery to the Buyer or the Buyer's carrier. In the event The Buyer's pickup is delayed due to actions or omissions of the Buyer, EuroTec may, in its discretion, charge reasonable storage fees.

SHIPPING: Charges EuroTec may arrange for shipment by the Buyer's carrier with charges to the Buyer's shipment account with the carrier. All expenses relating to the shipment of goods and return of cores on exchange shall be the responsibility of the Buyer. If any transportation charges, customs fees, insurance or other charges on a shipment are prepaid by EuroTec, EuroTec will Invoice the Buyer for payment of such charges.

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SHIPPING: Insurance The Buyer assumes all liability for loss or damage to equipment in transit between FOB point and final destination. The Buyer shall notify EuroTec, in writing, if the Buyer wants a shipment insured for loss or damage. The Buyer assumes all liability.

If the Buyer notifies EuroTec in writing to insure a shipment for loss or damage, an applicable insurance fee will be charged to the Buyer's shipment account or otherwise a separate fee will be added to EuroTec's invoice for payment by the Buyer. The Buyer is responsible and liable for the payment of all insurance fees. The insurance fee only covers the current policy in force for that shipment to protect the transit equipment in the event of a loss or damage. The policy will cover the full or partial replacement value of the equipment, partial replacement shall also include repair of the equipment back to a similar or better state of condition prior to shipment of that Equipment. For any policy or coverage issued by the carrier or other insurer, all rules and regulations enforced by the carrier shall prevail on all claims. In the event of a shipping accident, the loss or repair of that equipment shall remain the sole responsibility of the Buyer to pay regardless of any type of insurance coverage in place at that time. When applicable, any claims either partially or fully paid by insurance policies that are recovered by EuroTec on behalf of the Buyer when applicable, shall then be reimbursed to the Buyer at that time.

SHIPPING: Discrepancies Damages during shipment are to be reported to the Buyer's carrier and/or EuroTec. All discrepancies on a shipment (shortage, wrong part, etc.) must be reported to EuroTec, and a written claim must be filed within ten (10) days of receipt of the order by email or fax, and confirmed by US mail.

SHIPPING: Return of Engine Crate, Stands & Shipping Containers Engine crates, stands and specialized shipping containers and/or crates including specialized covers, caps and blanks used to deliver engines and dynamic components to the Buyer must be returned to EuroTec either with the returning core or empty crate/container, no later than twenty one (21) days following receipt of repaired engine, component and parts. An invoice will be issued in the amount of \$1,500.00 USD for any engine crate, \$350.00 for any drive train component container and \$2,500.00 for any main rotor blade box not returned within the twenty one day (21) day grace period.

PAYMENT: Terms of Payment The Purchase Order is to be prepaid unless COD or other credit arrangements have been approved by EuroTec in advance. Payment terms on open accounts are net 30 days.

PAYMENT: Grant of Security Interest In consideration of any extension of credit to the Buyer by EuroTec, the Buyer specifically grants EuroTec a security interest in the equipment purchased, rented or exchanged under the Purchase Order. The Buyer further authorizes EuroTec to file UCC financing statements and, where applicable and appropriate, liens with the FAA as should be determined by EuroTec. The Buyer will cooperate in providing, as needed, any further documents or signatures to perfect EuroTec's security interest for the equipment upon request. The Buyer further agrees to name EuroTec as a loss payee on the Buyer's property coverage insurance policy until the invoice is fully paid.

PAYMENT: Overdue Invoices Overdue Invoices will be charged a late charge calculated and accrued at the rate of one and a half percent (1.5%) per month.

PAYMENT: Failure to Pay within Terms/Breach of Agreement The Buyer shall reimburse EuroTec for all attorney's fees and other expenses incurred by EuroTec in recovering any sums due from the Buyer or for any other breach and default by the Buyer.

RETURN POLICY: Return Material Authorization (RMA) Goods which are eligible for return are subject to the EuroTec Return Material Authorization (RMA) system. To ensure prompt and accurate credit please follow the RMA procedures which are available on our website at www.eurotecvfs.com

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To ensure complete satisfaction the following conditions apply for return consideration by EuroTec. To request an RMA number, please submit a completed RMA authorization form. The form is available by calling your sales representative or may be downloaded on our website at www.eurotecvfs.com

1. Goods must have been purchased from EuroTec within the past 30 days
2. Goods must have not been installed and are in Airworthy condition and in the original packaging
3. Good must be returned with all original certification and or paperwork.
4. Good must not have been a special order
5. Freight must be prepaid and parts must be received without damage
6. Goods must be returned with the original RMA Form enclosed within the box to ensure prompt receipt
7. All returned items may be subject to a restock fee of 15% of the original Purchase Order price. EuroTec shall retain the discretionary right to charge a restock fee for any returned equipment.

MISCELLANEOUS: For the sale of engines, components and parts on a standard exchange basis separate and additional terms and conditions apply. These terms shall apply to all of the Buyers' Purchase Orders unless otherwise agreed to in writing prior to shipment by EuroTec. Kansas law applies to the sale of goods and services by EuroTec. Venue for any legal actions will be in Douglas County, Kansas or the federal District Court in Kansas City, Kansas.

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PART II: SPECIAL TERMS AND CONDITIONS – Standard Exchange Sales

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Definitions:

“Standard Exchange” is defined as a transaction where EuroTec sells and ships “serviceable” goods to the Buyer and where the Buyer is required to ship to EuroTec identical “unserviceable” goods to complete the transaction. If the Buyer fails to return the unserviceable goods (known as the “core”) to EuroTec, the transaction shall be converted to an “Outright” sale where the Buyer shall pay (i) the “core charge” which is stated on the invoice in addition to (ii) the “Exchange charge” that will have been previously invoiced. The standard exchange transaction shall be governed by these Terms and Conditions.

“Article” as defined by the Federal Aviation Administration (see CFR Part 21); as a material, part, component, process, or appliance that is not a “product” that is eligible to be installed in or on a type certificated product.

“Product” as defined by the FAA is an airframe, engine or propeller (excluding rotorblades) which has a valid type certificate. *Note: The definition of “product” and “article” for these EuroTec Terms and Conditions of Sale is different and broader than the definition of “product” or “article” by the FAA except where the FAA definition would be appropriate by the context.*

“Outright Sale” is defined when EuroTec has sold the goods to the Buyer and the Buyer is not required to ship an “unserviceable” like goods to EuroTec; the Buyer in such circumstance shall retain ownership of the removed goods (AKA core) from the helicopter.

“MRO” is an acronym which means Maintenance, Repair and/or Overhaul.

“Serviceable” is a term that is used within the industry to describe an article or product that is potentially “Airworthy” and eligible for installation on a type certified product or is a type certificated product.

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“Unserviceable” is a term that is used within the industry to describe an article or product that is not “airworthy” or may be repairable and eligible in the future for installation on a type certified product or is a type certificated product following maintenance, repair and overhaul.

“Repairable” is a term that is used within the industry to describe an article or product condition that requires repair.

“Core” All goods (referenced inclusively as “goods”, “equipment”, “engine”, “core”, “module” “articles”, “components”, “products”, “parts”, and other similar product terms) that are repairable or unserviceable removed from the article or product by the Buyer or Customer. During a Standard Exchange transaction, cores are shipped to EuroTec to complete the exchange transaction.

“Core Charge” is a term used within our industry to describe the charge that the Buyer shall pay if (a) the core is not returned to the supplier to complete the exchange transaction or (b) if the core is not acceptable under any of the terms and conditions or (c) not economically repairable, scrap or un-repairable within industry standards.

“Bill back or Subsequent Bill” is a term used within our industry which describes an additional charge beyond the initial or “standard charge” or fee that has already been invoiced to the Buyer for an exchange transaction. The additional charges are normally for (a) direct reimbursement for unserviceable, scrap or non-repairable replacement parts, (b) component or part repairs, (c) modification costs that are not included under the standard exchange price, and (d) when the Buyer fails to return a core and the transaction is converted to an Outright Sale the Bill back will be equal to the core charge on the invoice

STANDARD EXCHANGE: Basic Policy

GOODS OFFERED ON EXCHANGE: The following are eligible to the Buyer on a Standard Exchange basis: Turbomeca and Eurocopter goods.

ELIGIBLE CORES: Unless otherwise notified in advance or stated on the invoice, only cores that are of equal value and state of condition, modification standard and completeness with all historical records and maintenance documents as required shall be considered for and/or accepted from the Buyer to complete the Exchange transaction.

ELIGIBLE CONDITION OF CORE: Only cores with normal wear and tear will be considered and/or accepted on Exchange. Other conditions may be considered and acceptable however only expressly accepted in writing from EuroTec and additional charges (Bill Backs or Subsequent Bills) shall apply. It is NOT normal wear and tear for any core that has been damaged by, for example, but not limited to: FOD (foreign object damage), corrosion, erosion, over temp, over torque, over speed, main rotor and/or tail rotor strike, accident and/or incident, mistreatment, improperly maintained (i.e. with regard to airworthiness requirements, improperly stored, dropped, mishandled, damaged in shipping) or any other abnormality which is evident or discovered later during the repair or inspection.

TIME OF INSPECTION: EuroTec reserves the right to inspect those Cores received from the Buyer at any time and shall also reserve the right to send a Subsequent Billing whenever EuroTec determines appropriate in the circumstances, following inspection and finding of any condition which warrants such occurrence in accordance with these terms and conditions. The Buyer shall be liable for that Subsequent Billing invoice which shall immediately be payable upon receipt of invoice from EuroTec.

“SERVICE LIFE LIMITED” PARTS AND/OR COMPONENTS WITHIN THE CORE: EuroTec shall furnish the Buyer with goods that may or may not have less or more time or cycles since new than the core received by the Buyer to complete the Exchange. Unless otherwise noted on the invoice or quotation no credit or price adjustment will be made for any service life limited component or part. EuroTec makes no adjustments for “service life” limits except as may be stated in EuroTec’s Quotation.

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REVIEW OF TECHNICAL DOCUMENTATION FROM CUSTOMER “TIME IN SERVICE” CALCULATIONS: Upon receipt of The Buyer’s core, the technical documentation will be reviewed as part of the acceptance inspection. The Buyer shall be responsible upon final review of technical documents for any errors. A Subsequent Bill shall be sent to the Buyer when the core or any subcomponent of the core shall have less time or cycles remaining in service than what was originally represented to EuroTec by the Buyer upon acceptance of Purchase Order from the Buyer.

ADDITIONAL BILLING FOR “SERVICE LIFE LIMITED” COMPONENTS: When applicable, and unless otherwise notified in writing, when any service life limited cores or any service life limited subcomponent or part of any core is uneconomical to repair, un-repairable and/or deemed scrap, the final invoice amount for that core or subassembly part shall be equal to the replacement value for that core or part subject to manufacturer’s list price, prorated and multiplied times the remaining time and/or cycles remaining that the Core or part had remaining at the time of inspection.

ADDITIONAL BILLING FOR CORES WITHOUT SERVICE LIFE LIMIT: When applicable, unless otherwise notified in writing prior to the sale of goods, when any component or part of any core without a service life limit is deemed un-repairable or scrap, the final invoice amount for those cores or parts shall be equal to the actual cost of replacement and/or a certain percentage of manufacturers list price which shall be determined by EuroTec.

EXCHANGE CORES SHIPMENT TO EUROTEC / 21 DAY RETURN PERIOD / DOCUMENTS / PENALTY: The Buyer shall return all cores to EuroTec, freight prepaid, within 21 days of receipt of the Exchange article or product from EuroTec. The Buyer shall include technical documents (including log book, accessory log cards, MMIR, etc.) with the core. Cores not returned within the 21 day period shall be subject to either (a) a penalty fee applicable to \$100.00 USD per day which shall be charged until receipt of such core or (b) EuroTec shall convert the transaction to an Outright Sale where the Buyer shall pay the Core charge as stated on the invoice.

TITLE AND OWNERSHIP OF THE “CORE”: The Buyer warrants that it has marketable title to and transfers to EuroTec the Exchange Core free and clear of all claims and liens. The Buyer agrees to obtain and provide to EuroTec releases from any creditor which may claim a title or security interest in the Exchange core.

STANDARD EXCHANGE: Engines and Engine Modules

Standard exchange prices for engine goods do not include the replacement of the following subassembly components within the Core(s). When the below listed subcomponent(s) of the core are not acceptable those subcomponent(s) shall be considered additional Bill Back item(s) to the Buyer.

Module One: Casing Assembly, Bevel Gear Set, Oil Pump, Front Support, Power Shaft, Linking Tube and Bearings when applicable.

Module Two: Casing Assembly, Compressor Cover, Axial Wheel, Bevel Gear Set, and Bearings when applicable.

Module Three: Centrifugal Compressor, Compressor Cover (when applicable i.e. 1D1) Turbine Disc(s) and/or turbine blades, Injection Wheel or any of the three Turbine Nozzles, Injection Manifold, Internal and External Combustion Liner assembly, Swirl Plate and Diffuser.

Module Four: Free Turbine Support, Free Turbine disk, Free Turbine Blades and Bearings when applicable.

Module Five: Casing Assembly, and any of the Gear Assemblies and Bearings when applicable.

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MODIFICATION/UPGRADE COSTS: The Buyer shall pay for any and all modification costs including the parts and labor that are required to bring the core into the same modification standard as the original goods supplied by EuroTec.

SHIPPING—ENGINES AND MODULES: The shipment of engine goods shall be in OEM approved shipping containers properly capped and protected to prevent deterioration and damage. The Buyer shall utilize the original caps and container as received with the goods supplied by EuroTec to ship the Core to EuroTec.

STANDARD EXCHANGE: Normal Articles (including accessories of engines)

Normal articles or goods (general “parts” or “components”) are considered to be the second category of Exchange that being all other articles that are not defined in Subsection “B” and are not Eurocopter Dynamic goods as defined in Subsection “D”.

Standard exchange prices are applicable only for cores that are complete and are accompanied with complete records, not damaged, time expired, and with normal wear and tear. The “Standard Exchange” price for normal goods is determined at the time of quotation. It will be subject to Bill Back and Subsequent Billings as described above in the section Basic Policy – Exchanges.

STANDARD EXCHANGE: Eurocopter Dynamic Components

EUROCOPTER DYNAMIC ARTICLES: Dynamic articles shall include, Anti-vibration assembly, Swash Plate assembly, Main Rotor Shaft assembly, Epicyclic Reduction Gear assembly, Main Rotor Gearbox assembly, Oil Pump assembly, Rotor Brake assembly, Tail Rotor Gear Box assembly, Tail Rotor Pitch Change Unit assembly all other parts are considered normal articles and are subject to the terms and conditions above.

Standard Exchange Prices for Eurocopter Dynamic components do not include the replacement and/or repair of the following subassembly components within the core(s) and when the below listed subcomponents(s) of the core are not acceptable those subcomponents shall be considered additional billable items to the Buyer;

Main Rotor Gearbox: cases, gears, vertical shaft and input housing

Tail Rotor Gearbox: casing, output shaft, lever, input housing and gear set

Epicyclic: sun gear, ring gear, pinion gears, carrier

Swashplate Assembly: non-rotating and rotating star

Antivibration Assembly: support, center support rod, upper and lower flange, springs, cover plate and fairing

Main Rotor Shaft Assembly: upper and lower casings, swashplate guide, scissor links, drive link, phonic wheel, sensor, pitch change rods, upper flange, main rotor mast, drive adapters, Swashplate assembly, thrust washer, or any other subcomponent other than standard hardware

Oil Pump Assembly: gears and housing

Rotorbrake Assembly: box assembly and pad

Tail Rotor Pitch Change Unit: rotating cuff, non-rotating

SHIPPING: Eurocopter Dynamic Components: The shipment of Dynamic components shall be in OEM approved shipping containers properly capped and protected to prevent deterioration and damage. The Buyer shall utilize the original caps and container as received with the goods supplied by EuroTec to ship the core to EuroTec.

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PART III RENTAL STANDARD TERMS AND CONDITIONS

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EQUIPMENT AVAILABILITY: Rental articles and products (or also referred to as “equipment”) are available only when the removed product and/or article are received by EuroTec for repair and/or overhaul.

TERMS AND CONDITIONS: Rental equipment is rented and/or leased subject to any applicable Terms and Conditions stated here and as separately specifically outlined in the rental contract between EuroTec as Lessor and Customer as Lessee.

RENTAL CONTRACT: A complete Rental Contract shall be signed prior to the shipment of Rental Equipment.

INSURANCE REQUIREMENTS: Insurance requirements as stated here and in the Rental Contract section shall be in place prior to the shipment of the rental equipment to Customer. Customer shall have its insurance agent send the certificate of insurance to EuroTec for acceptance by EuroTec’s underwriters of insurance prior to shipment of the Equipment to Customer. Customer shall be liable for any loss or damage to the rental Equipment regardless of any insurance policy or coverage in place in accordance with the Rental Contract agreement and these terms and conditions.

SHIPMENT OF RENTAL EQUIPMENT: Shipment of Rental Equipment shall be in OEM approved containers and packaging to prevent damage or loss in transit. The Lessee shall utilize the same containers and packaging to ship its repairable article and/or product to EuroTec for repair and/or overhaul. Failure to ship the articles and/or products in the approved containers and packaging may result in additional costs associated with the additional requirements of maintenance and inspection to return the article and/or product back into service. If the Lessee fails to return the shipping container and/or packaging additional charges may apply for the reimbursement of direct costs to obtain a replacement container.

RETURN OF EUROTec RENTAL EQUIPMENT: The Lessee shall follow explicit instructions when returning Rental Equipment. The Lessee shall comply with all maintenance requirements prior to removal and/or return, otherwise additional charges may apply. The Lessee is encouraged to consult EuroTec’s Post Rental instructions which shall be supplied to the Lessee by EuroTec prior to commencement of the rental and are also available on request from EuroTec at any time.

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PART IV STANDARD MRO REPAIRS (Maintenance, Repair, Overhaul)

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MRO SERVICES: The disassembly, inspection, investigation, repair and overhaul activity is carried out by EuroTec and/or at any repair or overhaul center qualified and approved by EuroTec or by written instruction from the Customer to EuroTec on the Customer’s repair Purchase Order.

RECEIPT OF CUSTOMER OWNED PRODUCT OR ARTICLE FOR INSPECTION AND MAINTENANCE: EuroTec shall review Customer’s complaint or request for inspection and maintenance on the article or product. EuroTec shall only perform inspections and maintenance as necessary and/or in accordance with Instructions for Continued Airworthiness and/or in accordance with the operator’s specifications approved by the FAA Administrator under Part 121 or 135, or an inspection program approved under FAR 91.409 (e)

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WORKSCOPE: After review and preliminary inspection of the article or product and in conjunction with the written instructions from Customer, a Workscope shall be written based on the work that should be accomplished and sent to Customer for review and approval prior to commencement of maintenance on article or product. EuroTec shall not perform any maintenance on any article or product without first receiving written instructions or approval from Customer. The Work scope is intended to notify the Customer of maintenance and/or inspections that are, or may be required to return the article or product back into a readiness standard of airworthiness. However, during the inspection process other maintenance and inspection requirements and/or part replacement may be necessary to perform in order to complete the maintenance and achieve the approval for return to service. In any such case, the Customer shall be notified of any additional requirements and shall expressly provide written approval to EuroTec of such work prior to that work being performed. In any event where the Customer denies approval, the Customer shall be liable for any and all direct expenses involved in the preliminary inspection and maintenance of those articles or products that have been accomplished at that time.

EFFECT OF APPROVAL: When the Customer has given its consent to EuroTec to repair and overhaul an article or product, the Customer warrants that it has (a) lawful possession of the article or product, (b) full authority to give such approval and (c) guarantees payment for any maintenance performed on the product or article. The Customer also agrees to indemnify EuroTec against any third party, related to performance of Work. EuroTec shall have a mechanic's lien on the Customer's article or product and may keep possession of article or product until full payment is received by EuroTec.

QUOTATION: Period of Validity Quotations (or referred to as "Estimates") are valid for one (1) month but are subject to change without notice and will be subject to any terms and conditions required by third party repair and overhaul centers.

QUOTATION: Estimated Price Compared to Final Price EuroTec shall not be liable or responsible for the labor to remove and reinstall the defective equipment in the Buyer's helicopter. Quotes in a Quotation are estimates only. Actual overhaul or repair prices are determined by the condition of the equipment and are only final once the article or product has been tested in accordance with applicable requirements and/or standards. In any event the Buyer will be informed first via written estimate for the inspection and return of the equipment.

QUOTATION: Approval EuroTec shall not commence upon any work or maintenance to the article or product without first receiving explicit instructions and approval from the Customer. The approval from the Customer will include authority to incur additional charges if required to complete the Workscope.

QUOTATION: No Customer Approval If Customer fails within one month of Quotation date to give its written approval to proceed in the form of the signed Quotation, an invoice for services extended to date (disassembly and inspection and/or maintenance expenses) will be sent to the Customer for full payment of those expenses. EuroTec may add further supplementary charges for storage, insurance, protection and late charges pending payment. Upon payment, article or product will be returned to the Customer freight collect in "as is" condition. EuroTec shall have a mechanic's lien on the Customer's property pending payment by the Customer.

PAYMENT: Invoice for Services Rendered All invoices for the overhaul and repair of the Buyer owned equipment will be billed for prepayment or for COD shipment prior to return of the equipment, unless other credit terms have been established and approved by EuroTec.

PAYMENT: Grant of Security Interest In consideration of any extension of credit to the Customer by EuroTec, the Customer specifically grants EuroTec a security interest in the equipment repaired and/or overhauled under the repair Purchase Order until all amounts due are paid to EuroTec. The Customer further authorizes EuroTec to file UCC financing statements and, where applicable and appropriate, liens with the FAA as should be determined by EuroTec. The Customer will cooperate in providing as needed any further documents or signatures to perfect EuroTec's security interest for the equipment upon request. The

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Customer further agrees to carry and properly insure the repaired equipment and name EuroTec as an additional loss payee should that equipment be lost or damaged in an accident on the Buyer's property coverage insurance policy until such time as the invoice is paid in full.

DELAYS IN WORK: EuroTec shall not, in any way whatsoever, be liable to the Customer for any delay in work or cause of loss of revenue or consequential damages for any reason.

SUPPLEMENTARY EXPENSES: If applicable storage, packing, transport, and insurance, customs, transit, taxes, inspection by customs or other governmental body are added to the Purchase Order.

PAYMENT: Authorization to Sell Customer Article or Product The Customer authorizes EuroTec to sell in any commercially reasonable manner the Customer's article or product where invoices for MRO estimates or Workscope are not paid within 90 days of invoice.

PROCEDURE FOR SALE OF CUSTOMER ARTICLE OR PRODUCT: EuroTec will give the Customer a twenty (20) day written notice with the right to cure by notifying by fax, email or US mail that article or product will be sold for failure to pay Invoice. The Customer shall have this twenty day period to cure by making payment of unpaid invoice(s).

If cure is not made by the Customer, EuroTec is authorized to sell the article or product in a commercially reasonable manner for that type of article or product. The Customer authorizes EuroTec to purchase the article or product itself for the unpaid amount outstanding. Proceeds will be applied against costs of sale and unpaid Invoices. Any excess shall be remitted to the Customer. The Customer will remain liable for any shortfall in sale proceeds against invoices due.

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