TURBINE CONTROLS, INC / TURBINE CONTROLS, LLC

GENERAL TERMS & CONDITIONS OF SALE

GENERAL

These terms and conditions of sale apply to all aftermarket repair services offered by Turbine Controls, Inc. and Turbine Controls, LLC collectively referred to as "TCMRO". Without limitation, the entity to which TCMRO is providing Products (as defined in the "Warranty" paragraph below) or services may be referred to herein as "buyer" or "customer". TCMRO's acceptance of buyer's purchase order is conditioned upon buyer's acceptance of all these terms and conditions. Acceptance of TCMRO's Products and services shall be deemed to be acceptance of these terms and conditions. Any terms and conditions proposed in buyer's purchase order which vary, add to or conflict with these terms and conditions of sale are objected to and are not binding on TCMRO. Any modification or addition to these terms and conditions must be accepted in writing by TCMRO.

PRICES & CATALOGS

All quotations for services offered by TCMRO are valid for thirty (30) days from the date of issue and prices are quoted FOB the applicable TCMRO facility. All pricing catalogs are subject to change without advance written notice from TCMRO.

DELIVERY AND RISK OF LOSS

All deliveries shall be made to buyer FOB TCMRO's repair facility. Any items and parts shipped or delivered to TCMRO for any process shall remain the property of the buyer and risk of loss for such items and parts shall remain with the buyer. At all times it is agreed that TCMRO is not the insurer of any such items or parts. TCMRO's sole obligation is to use ordinary care in receiving and processing such items and parts. Unless otherwise specified, the buyer shall pay all costs of transporting components and parts to and from the TCMRO facility.

PAYMENT TERMS

Prior to the establishment of credit terms by TCMRO, all payment terms unless otherwise specifically agreed to in writing are "cash on delivery" (C.O.D.) for domestic orders and "cash before delivery" (C.B.D.) for international orders. A monthly invoice carrying charge may be assessed for invoices not paid in net 30 days.

In the event of default by buyer, all unpaid sums and installments owed to TCMRO shall, at TCMRO's sole option, become immediately due and payable without notice of any kind to buyer.

If any buyer credit account purchase is not paid in accordance with TCMRO's credit payment terms, in addition to any other remedies allowed in equity or by law, TCMRO may suspend performance, delivery and/or refuse to make further shipments of Products and services without advance payment by buyer or terminate these terms and conditions and any purchase order to which they apply. Any cost incurred by TCMRO in accordance with such suspension (including storage costs) or termination shall be payable by buyer upon submission of TCMRO's invoices. Performance of TCMRO's obligations shall be extended for a period equaling the period of buyer's non-fulfillment of any portion of the payment terms herein, whether or not TCMRO suspends performance, and such additional time as may be reasonably necessary under the circumstances.

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TAXES, DUTIES & FEES

Prices for services do not include any property, license, sales, use, excise, gross receipts, value added, duties, tariffs, or other taxes or fees (whether imposed by the United States, any state or locality, or any other government or any subdivision thereof or any taxing authority or agencies thereof) which may be applicable to, or imposed upon, the transaction, the property, its sale, repair, overhaul of, replacement, transportation, delivery, its value or it use, or any services performed in connection therewith. Such taxes are for the account of, and shall be the obligation of, the buyer and the buyer agrees to pay or reimburse any such taxes which TCMRO or its contractors or suppliers are required to pay.

EXCUSABLE DELAY

TCMRO shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control including but not limited to fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of the buyer, war, riot, sabotage, civil disturbance, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, or any act, delay or failure to act of TCMRO's suppliers and subcontractors of any tier beyond TCMRO's or such supplier's or subcontractor's reasonable control. In the event of delay in performance due to any such cause, the date of shipment or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

WARRANTY

TCMRO warrants all components and assemblies that have been overhauled or repaired at its facilities ("Product") against defects in workmanship for the lesser of: (i) one (1) year from the date of shipment of Product by TCMRO to the customer or (ii) One Thousand (1,000) operating hours from the date of installation. Defects must be discovered within the warranty period and TCMRO must receive written notice within (10) days from the date of such discovery. TCMRO shall not be obligated to repair or replace any Product which is found to be defective for any reason after the above warranty period has expired. The scope of this warranty is limited to repair or replacement, at TCMRO's option, of Product that is, upon inspection, found to be defective in workmanship. Further, such repair or replacement, in order to be covered, must be accomplished by TCMRO or other facility authorized in writing by TCMRO. This warranty does not cover any Product which has been adjusted, repaired or modified prior to returning it to TCMRO as set forth herein for warranty consideration. The warranty period for the repaired or replaced Products and services will be the remaining duration or remaining operating hours of the original warranty period, whichever is less.

TCMRO does not assume any responsibility for the repair or replacement of any parts, items or components or any other such item, other than the Product manufactured, overhauled or repaired by it or otherwise referred to in the paragraph above.

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TCMRO will pay for reasonable labor costs associated with repairs or replacements under this warranty. The amount of repair and replacement labor costs will be the reasonable costs under the circumstances of such repair and replacement.

Repair or replacement of any Product under this warranty will not extend the period or warranty coverage set forth above.

TCMRO does not assume any responsibility for transportation costs in connection with the repair or replacement for any Product under this warranty, except when such transportation has been authorized in writing by TCMRO. In connection with the return of any Product, the customer shall state in writing the particulars of the nature of any defects in the Product.

This warranty applies only to Product in which parts are manufactured, overhauled, repaired or inspected by TCMRO and nothing herein shall be construed as a warranty by TCMRO of any part not manufactured, overhauled, repaired or inspected by TCMRO.

This warranty also applies only to Product on which the inspection, maintenance, and operation instructions and recommendations contained in: (i) the appropriate owner's manual, (ii) applicable service bulletins and (iii) any current, applicable standards of the United States Federal Aviation Administration have all been timely complied with. Timely performance of recommended inspections and maintenance must be documented by appropriate logbook entries. In addition, on request, the customer will promptly produce the original of any such documentation TCMRO for review.

This warranty does not apply to any Product which has been subject to misuse, neglect or accident, or which has been installed, handled, repaired or maintained, or altered in any way that in the reasonable judgment of TCMRO has adversely affected the condition of the Product or which has been operated beyond or below factory recommendations, including, but not limited to, proper system adjustment, improper protection during storage and any environmental conditions (such as weather, humidity, electrical contract, contaminants, temperature and other conditions that could cause corrosion).

This warranty will not include any allowance or charge for troubleshooting parts and labor, for any Product that has had any alteration, including but not limited to alterations to the aircraft, engine, accessories and operating systems since the Product was installed, without prior written approval from TCMRO.

This warranty does not apply to normal maintenance service, including, without limitation, adjustments, inspections and routine service, which shall always remain the responsibility of the owner or operator.

TCMRO reserves the right to change any Product specification or price without incurring any responsibility with regard to any Product previously serviced, sold or replaced.

NO CONSEQUENTIAL DAMAGES

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THE SOLE AND EXCLUSIVE REMEDY UNDER THIS WARRANTY IS LIMITED TO REPAIR OR REPLACEMENT (AT TCMRO'S OPTION) AS SPECIFIED ABOVE. THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESSED OR IMPLIED BY OPERATION OF LAW OR OTHERWISE INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TCMROSHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING OR USE OF THE PRODUCT OR FROM ANY OTHER CAUSE RELATING THERETO AND TCMRO'S LIABILITY, IN ANY CASE, IS EXPRESSLY LIMITED TO THE REPAIR OR REPLACEMENT (AT TCMRO'S OPTION) OF PRODUCT OR, AT TCMRO'S ELECTION, TO THE REPAYMENT OR CREDITING OF CUSTOMER WITH AN AMOUNT EQUAL TO THE PURCHASE PRICE.

IF BUYER'S PRODUCT IS DAMAGED OR LOST WHILE IN THE CUSTODY OF TCMRO, OR IN THE CUSTODY OF ANY TCMRO AGENT OR CONTRACTOR, TCMRO'S LIABILITY SHALL BE LIMITED TO THE COST OF REPAIR OR REPLACEMENT (AT TCMRO'S OPTION) OF THE AFFECTED PRODUCT IN THE CONDITION IN WHICH IT WAS RECEIVED BY TCMRO. TCMRO'S LIABILITY FOR CUSTOMER'S DAMAGES FROM ANY CAUSE WHATSOEVER WITH RESPECT TO THE OVERHAUL OR REPAIR OF CUSTOMER'S PROPERTY, WHETHER DUE TO TCMRO'S NEGLIGENCE OR TO ANY OTHER REASON, IS LIMITED TO REPAIR OR REPLACEMENT COST (AT TCMRO'S OPTION). WITHOUT LIMITATION, TCMRO HAS NO LIABILITY WHATSOEVER TO BUYER FOR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE OR LOSS OF USE OF THE PRODUCT. CUSTOMER SHALL MAINTAIN IN EFFECT PROPER LIABILITY INSURANCE COVERAGE, IN AN AMOUNT COMPLYING WITH INDUSTRY STANDARDS, RELATIVE TO ANY PRODUCT TO BE REPAIRED OR OVERHAULED BY TCMRO.

No person is authorized to give any other warranty or to assume any additional obligation or liability on behalf of TCMRO, without its express written approval; such approval must be by a duly authorized representative of TCMRO.

The sale of any Product and any claims, disputes, litigation or other matters arising hereunder or in connection therewith ("Disputes") shall be governed by and interpreted in accordance with the substantive laws of the State of Connecticut that are applicable to contracts made and to be performed in that state, regardless of the laws that otherwise govern under or relating to the sale of any Product under applicable conflicts of laws. Except as provided herein, any Disputes shall be brought and jurisdiction and venue shall be proper only in a state or federal district court in Hartford, Connecticut. Notwithstanding the foregoing, at the sole discretion of TCMRO, any Dispute relating to the sale, repair, overhaul or service of any Product may be submitted for resolution in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Hartford, Connecticut. Upon such Dispute being submitted to the American Arbitration Association for resolution, the arbitrator or arbitrators shall assume exclusive jurisdiction over the Dispute and the decisions of such arbitrator or arbitrators shall be binding and shall be entered in any court of competent jurisdiction.

LIMITATION OF LIABILITY

Buyer expressly agrees that, notwithstanding any other provision of these terms and conditions, under no circumstances shall TCMRO's total aggregate liability resulting from the performance, failure to perform or breach of TCMRO's obligations herein or from any activity undertaken by TCMRO with respect to the items, repairs and services covered by this contract, whether based on negligence of any kind, strict liability or tort, on the part of TCMRO or its suppliers or subcontractors of any tier, or otherwise, exceed the value of the purchase order or

delivery order which is applicable to the item or parts in question. Without limitation of the foregoing, TCMRO shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers for any of the foregoing types of damages. If Buyer is supplying Products or services to a third party, or using Products or services at a facility owned by a third party, Buyer shall either (i) indemnify and defend TCMRO from and against any and all claims by, and liability to, any such third party in excess of the limitations set forth in this paragraph, or (ii) require that the third party agree, for the benefit of and enforceable by TCMRO, to be bound by all the limitations included in this paragraph.

CUSTOMER CHANGE REQUESTS

Any changes in orders requested by buyer, including without limitation the scope of work, delivery, or increase or decrease in quantities shall only be effective if accepted in writing by TCMRO. Such changes may require other terms and conditions to be modified, including price terms and TCMRO reserves the right to make such adjustments.

LIEN

In accordance with applicable laws, buyer acknowledges and agrees that TCMRO shall have a lien over all Products and services, and all related parts, until such time as TCMRO has been paid in full for the subject Products and services. As a result of this lien, TCMRO has the right to hold such Products and services, and all related parts, until payment is received in full.

Further, for U.S. domestic transactions, buyer grants TCMRO a security interest in all materials, parts, components provided by buyer to TCMRO and the proceeds thereof. This security interest shall continue until payment in full of the price for Products and services hereunder and performance by buyer of all of its other obligations hereunder. TCMRO is entitled to all remedies of a secured party upon default under the Uniform Commercial Code, in addition to all other rights provided by contract and by operation of law. Buyer agrees to execute any instrument or document considered necessary by TCMRO to perfect its security interest in the Products and services.

TCMRO'S RIGHT TO CANCEL ON BUYER'S NONCOMPLIANCE

TCMRO shall have the right to cancel and refuse to complete buyer's purchase order if any term and/or condition of these terms and conditions or any purchase order is not complied with by buyer.

INSPECTION AND ACCEPTANCE OF PRODUCT

Buyer agrees that it shall inspect the Products and services immediately upon receipt and promptly notify TCMRO in writing of any non-conformity or defect. Buyer further agrees that failure to give such prompt notice or use of the Product or services shall constitute acceptance of the Products and services. Acceptance of the Products and services shall be final and buyer waives the right to revoke its acceptance for any reason, whether or not known by buyer at the time of such acceptance. The issuance of any notice regarding any non-conformity or defect by buyer

shall automatically cause the provisions of TCMRO's warranty to apply and govern the rights, obligations and liabilities of the parties with respect to such non-conformity or defect in the Products and services.

INTELLECTUAL PROPERTY; CONFIDENTIALITY

No license or other rights under any patents, copyrights, and trademarks owned or controlled by TCMRO or under which TCMRO is licensed are granted to buyer or implied by the sale of Products and services hereunder. Buyer shall not identify as genuine Products and services of TCMRO any Products and services purchased hereunder which buyer has treated, modified or altered in any way, nor shall buyer use TCMRO's trademarks or service marks to identify such Products and services. All concepts, ideas, skills, strategy, pricing data, compilations, programs, prices, plans, photographs, designs, drawings, schematics, manuals, specifications, devices, know-how, methods, formulas, compositions, protocols, manufacturing processes and techniques, trade secrets and other information relating to TCMRO's business, and such other information that TCMRO may be required to disclose to buyer in connection with its fulfillment of buyer's purchase order, whether provided orally or maintained in a document, electronic storage or any other medium ("Information") shall be and remain the exclusive property of TCMRO and shall be treated by buyer as confidential information and not disclosed, given, licensed, loaned, exhibited, sold, assigned or transferred to any third party without TCMRO's prior written approval; provided, however, that these restrictions shall not apply to Information that buyer can demonstrate: (a) at the time of disclosure, is generally known to the public other than as a result of a breach of this Agreement by buyer, or (b) is already in buyer's possession at the time of disclosure based on its receipt from a third party that had a right to impart the Information. Buyer shall exercise its best efforts and utmost diligence to protect TCMRO's Information from any unauthorized disclosure to any person or entity, and buyer shall make no effort to reverse engineer or derive independently any Information disclosed to it hereunder. The existence, nature, terms and conditions of these terms and conditions and the Products and services being provided hereunder by TCMRO to buyer are strictly confidential and shall not be disclosed in any manner or form, directly or indirectly, to any person or entity under any circumstances. If an infringement claim arises out of compliance with buyer's design, specifications, brand names, trade names, patents or labels or out of any addition to or modification of the Products and services or any combination thereof with other products after delivery by TCMRO, or from use of the Products and services in a process or system specified by buyer or any of its customers, buyer shall indemnify and hold TCMRO and its affiliates and its and their directors, officers, employees, agents, representatives, successors or assigns harmless from and against all claims, losses or liabilities arising therefrom.

INDEMNIFICATION

Buyer shall indemnify, release, defend and hold harmless TCMRO and its affiliates and its and their directors, officers, employees, agents, representatives, successors and assigns against any and all suits, actions or proceedings at law or in equity (including, without limitation, the costs, expenses and reasonable attorney's fees incurred in connection with the defense of any such matter) and from, without limitation, any and all claims, demands, losses, deficiencies, damages, settlements, judgments, assessments, fines, penalties, costs, expenses or liabilities, to any person or entity whatsoever (including, without limitation, Buyer's and TCMRO's employees or any third party), or damage to any property (including Buyer's property) arising out of or in any way connected with the performance or the furnishing of Products and services under these terms and conditions, regardless of whether any act, omission, negligence (including any act, omission or negligence relating to the manufacture,

overhaul, repair, service or installation of any Products and services furnished hereunder) of TCMRO or its affiliates or its or their directors, officers, employees, agents, representatives, successors or assigns caused or contributed thereto. If Buyer fails to fulfill any of its obligations under this paragraph, Buyer agrees to pay TCMRO all costs, expenses and attorney's fees incurred by TCMRO to establish or enforce TCMRO's rights hereunder. The provisions of this paragraph are in addition to any other rights or obligations set forth in these terms and conditions.

EXPORT COMPLIANCE

TCMRO fully complies with all U.S. export control regulations, including the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR).

As a Term of Sale, TCMRO requires its customers to use reasonable efforts to cooperate with, and assist, TCMRO in the correct identification and classification of items provided by the customer which may be subject to U.S. export control regulations. If the customer cannot, or will not, make commonly reasonable efforts to assist TCMRO in the correct identification or classification of items relative to U.S. export control regulations, then the customer hereby indemnifies and holds harmless TCMRO from any resulting violation and/or penalties which may arise from the inaccurate classification of items and any resulting exports of such items which occurs.

The term "item" (as described above) includes product or hardware, technical data, software, or technology which is subject to any U.S. export regulation. "Item" does not just refer to the physical product itself.

TCMRO will not export restricted items without documented proof of a license or agreement from the appropriate governmental authority, and will follow all terms, conditions and provisos on such license or agreement as a condition of exporting and engaging in business with its customers.

TCMRO shall not be liable in any way to customers or third parties for delays caused by licensing issues to the extent such licensing issues arise out of customer's failure to cooperate with and assist TCMRO in its efforts to accurately classify items provided by the customer or manufactured to the customer's requirements, designs and/or specifications.

HEADINGS

Headings have been inserted into these terms and conditions for convenience of reference only, and shall not affect the interpretation of any provision hereof.