

Terms and Conditions

1. Sale of Parts; Purchase Price.

(a) Sale of Parts. Subject to the terms of this Agreement, the Seller shall sell the Parts listed in the attached Quote Form hereto to the Buyer, and the Buyer shall purchase the Parts from the Seller. The obligation of the Seller and the Buyer to effect such sale and purchase shall be subject only to the compliance or waiver of their respective conditions precedent set forth in Section 3 hereof.

(b) Purchase Price. The Purchase Price for the Parts as set forth in the Quote Form attached hereto shall be paid by the Buyer to the Seller on or before the Payment Date.

2. Parts Delivery, Title, Risk of Loss.

(a) Place of Delivery. Delivery of the Parts shall be at Buyer's address: 129 Airport Road, Georgetown, SC 29440. Seller is responsible for shipping parts to its required destination.

(c) Title and Risk of Loss. All right, title and interest in and to the Parts and the risk of loss or

3. Representations and Warranties.

(a) Representations and Warranties of the Buyer. The Buyer hereby represents and warrants to the Buyer that:

(i) The Buyer is a Delaware corporation and has the corporate power and authority to perform its obligations under this Agreement and the other Sale Documents to which it is a party and this Agreement and the other Sale Documents to which it is a party have been duly authorized by all necessary corporate action on the part of Buyer;

(ii) this Agreement has been duly executed and delivered by the Buyer and constitutes, and each other Sale Document to which it is a party when executed and delivered by the Buyer will constitute, the legal, valid and binding obligation of the Buyer, enforceable in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and to general equitable principles;

(iii) as of Delivery and Inspection Date, the Seller will be the legal owner of such Parts. Buyer shall Transfer good and marketable title to such Parts, free and clear of all Liens.

(b) Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer that:

(i) The Seller has the power and authority to perform its obligations under this Agreement and this Agreement has been duly authorized by all necessary action on the part of Seller;

(ii) this Agreement has been duly executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller, enforceable in accordance with its

terms, subject only to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and to general equitable principles;

- (iii) the execution, delivery and performance by the Seller of this Agreement are not in violation of its organizational documents or of any indenture, mortgage, contract or other agreement to which the Seller is a party or by which it is bound or of any order or judgment applicable to the Seller or any law, government rule or regulation binding upon the Seller or applicable to its business generally and do not require the consent or approval of, or the giving of notice to, the registration with or the taking of any other action in respect of any Governmental Body;
- (iv) there is no litigation or proceeding pending or, to the best knowledge of the Seller, threatened against the Seller an adverse decision in which would prohibit or materially frustrate the consummation by the Seller of the transactions contemplated by this Agreement or any other Sale Document to which it is a party.

(c) The representations and warranties contained in this Section 4 shall survive the sale of the Airframes hereunder and the execution and delivery of the agreements contemplated hereby.

(d) LIMITATION OF LIABILITY. IN NO EVENT WILL BUYER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUES OR USE EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT WILL BUYER, OR ITS SUPPLIER'S LIABILITY TO SELLER, WHETHER IN CONTRACT TORT, OR OTHERWISE, EXCEED THE PRICE PAID BY BUYER FOR THE PURCHASED PRODUCT. NO EXTENSION OF THESE WARRANTIES WILL BE BINDING UPON BUYER UNLESS SET FORTH IN WRITING AND SIGNED BY BUYER'S AUTHORIZED REPRESENTATIVE.

4. Taxes.

The Buyer and the Seller shall reasonably endeavor to complete this transaction in a manner to avoid or minimize any transaction taxes. However, if such taxes are due, the Seller shall pay any and all sales, other applicable transfer, use, value-added, stamp, registration and other similar taxes and any penalties, fines, additions to tax or interest thereon, (individually a "Tax", and collectively called "Taxes"), imposed upon the Buyer by any taxing jurisdiction or authority arising out of the sale of the Airframe hereunder; provided, however, Seller shall not have any obligation to pay Taxes imposed on the Buyer by any Governmental Body in the state or country in which such other party is incorporated, organized or conducts any business. In the event that any taxes are due, assessed and/or paid by Buyer or Seller, Buyer and Seller each as to each other agree to assist and cooperate with each other to preserve and obtain any and all refunds or credits arising therefrom.

5. Indemnification.

(a) Seller assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless Buyer and its respective directors, members, managers, servants, agents, employees, successors, and assigns from and against any and all Losses which may arise on or after the Payment Date in any manner out of or in relation to injury to or death of any persons

whomsoever or loss or damage to any property of any Person and which may result from, or arise in any manner out of, or be attributable, (i) in respect of Losses arising out of acts, omissions or events after the Payment Date.

(b) The Buyer hereby agrees to indemnify, reimburse, and hold harmless the Seller and its respective directors, members, managers, servants, agents, employees, successors, and assigns from any Losses arising out of (i) the breach by Buyer of any of its representations or warranties hereunder or any other Sale Document, and (ii) the non-performance by Buyer of its obligations hereunder or any other Sale Document.

6. Assignment of Manufacturer's Warranties.

The Seller shall extend to the Buyer the rights and benefits, to the extent that the same are not extinguished by the sale of the Parts or the passage of time, of any warranties, service life policies and patent indemnities of any manufacturer and any maintenance and overhaul agencies of and for such Parts which the Seller may have to the extent that the same are assignable and transferable. The Seller also hereby grants to the Buyer rights of subrogation relating to any claim which the Seller may have under such warranties (if any) concerning the Parts.

7. Default and Remedies.

(a) The following events shall constitute events of default (hereafter "Events of Default"):

- (i) if either party shall default in the performance of this Agreement and such default shall continue for five (5) Business Days after written notice of default to the defaulting party and is not thereafter waived; provided that no Event of Default shall be deemed to have occurred under this sub-section if the relevant party is using diligent efforts to cure the default as soon as may be practicable (but, in any case, within fourteen (14) days after notice from the other party); or
- (ii) if the Seller or the Buyer shall file a voluntary petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present statute, law or regulation or any future statute, law or regulation adopted on or prior to the Delivery Date, or shall seek or consent to, or acquiesce in, the appointment of any trustee, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or
- (iii) if a petition shall be filed against the Seller or the Buyer seeking any reorganization, composition, readjustment, liquidation or similar relief under any present statute, law or regulation or any future statute, law or regulation adopted on or prior to the Delivery Date or if any trustee, receiver or liquidator of either party is appointed.

(b) Upon the occurrence of an Event of Default by one party under this Agreement, the other party shall be entitled, by notice in writing to the other, to terminate this Agreement and/or recover such damages and/or remedies as are available to it under applicable Law.

8. Miscellaneous.

(a) Notice. All notices required or permitted hereunder shall be in writing and may be either telefaxed or sent by an internationally recognized overnight courier service, addressed to

parties as listed on the attached Quote Form, or to such other address as the party desiring the change advises the others from time to time through a notice given in accordance with the provisions of this Section 11(a). Any such notice shall be effective and shall be deemed to have been given, in the case of a facsimile, upon confirmation of receipt of such facsimile by the addressee (provided that if the date of dispatch is not a Business Day, it shall be deemed to have been received at the opening of business in the country of the addressee on the next Business Day), and in the case of a notice sent by courier service, when delivered personally (provided that if delivery is tendered but refused, such notice shall be deemed effective upon such tender).

- (b) Applicable Law; Jurisdiction. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN NEGOTIATED AND MADE IN, AND SHALL BE GOVERNED AND INTERPRETED UNDER THE LAWS OF, THE STATE OF COLORADO, UNITED STATES, APPLICABLE TO AGREEMENTS MADE BY RESIDENTS THEREOF TO BE ENTIRELY PERFORMED THEREIN.**
- (c) Time of the Essence. Time shall be of the essence in the performance of the duties of the parties hereto.**
- (d) Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.**
- (e) Severability. In the event that any one or more of the provisions of this Agreement shall be invalid, illegal or unenforceable in any respect or in any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein or of the same provisions in any other jurisdiction shall not, in any way, be affected or impaired thereby.**
- (f) Further Assurances. Seller and Buyer will promptly, at any time and from time to time, execute and deliver to each other such further instruments and documents and take such further action as may be required by law or as they may each reasonably request to establish, maintain and protect their respective rights and remedies and to carry out the intent of the parties under this Agreement.**
- (g) Written Changes Only. No term or provision of this Agreement may be changed or waived orally, but only by an instrument in writing signed by the parties hereto.**
- (h) Process Changes. Any changes in process or product shall require advanced notification and approval by Thundercloud Aviation dba Sherpa Air. Aerospace customers and government agencies require approval of changes per contract or law.**
- (i) Sub-Tier Suppliers. When the need to outsource work occurs (using sub-tier suppliers), Thundercloud Aviation dba Sherpa Air must be notified in advance, including changes in sub-tier suppliers and changes in location of manufacture prior to making the change. This requirement applies to the supplier and the sub-tier suppliers contracted by Thundercloud Aviation dba Sherpa Air to perform work and services or provide products. (i) Thundercloud Aviation dba Sherpa Air and aerospace customer requirements must flow down to any supplier's sub-tier suppliers, including any key characteristics. Service work (plating, coating, heat treatment, etc.) must be to the applicable issue of customer specifications.**

- (j) **Records.** Records must be retained for at least 2 years. Records that are no longer retained must be destroyed versus discarded
- (k) **Nonconforming Product.** When nonconforming product occurs, Thundercloud Aviation dba Sherpa Air must be immediately notified for appropriate controls and disposition.
- (l) **Unairworthy Conditions.** Seller will follow all FAA and regulatory requirements for conditions which product malfunctions, defects, and unairworthy conditions have to be reported and dispositioned. Any rejected articles under this PO will be addressed using the Thundercloud Aviation dba Sherpa Air Quality Manual Corrective Action procedures.
- (m) **Right of Access.** Thundercloud Aviation dba Sherpa Air, its aerospace customers, and government authorities have the right of access to all facilities involved in processing of Thundercloud Aviation dba Sherpa Air orders and all applicable documents and records. Thundercloud Aviation dba Sherpa Air, its aerospace customers, and aerospace customer's representative and government authorities intend to perform verification activities at supplier's premises when warranted and to assure product and services conform to specified requirements. Advance notification will be provided. This requirement must flow down to all levels down the supply chain.
- (n) **Awareness.** Sellers must ensure that persons are aware of their contribution to product or services conformity, their contribution to product services and the importance of ethical importance.
- (o) **Format and Content.** The Seller may use their format and content to deliver the documentation package to Thundercloud Aviation dba Sherpa Air provided that the content meets or exceeds the requirements of the article certification
- (p) **Authority.** Any specific requirements by the customer or necessary authorities will be addressed through the chain of command set forth in the Thundercloud Aviation dba Sherpa Air Quality Management System.
- (q) **Exclusiveness.** This Agreement and the other Sale Documents are the complete and exclusive statement of the parties hereto with respect to the subject matter hereof and supersede all prior oral and written communications, proposals, agreements, representations, statements, negotiations and undertakings, whether express or implied, between the parties hereto with respect to the subject matter hereof.
- (r) **Terms and Definitions.** The terms and definitions, as herein contained, shall include the singular and/or plural, masculine, feminine and/or neuter, successors and/or permitted assigns wherever the context so requires or admits.
- (s) **Successors and Assigns.** This Agreement shall be binding upon, and shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors and assigns.
- (t) **Confidentiality.** This Agreement and the terms and conditions contained herein shall be and remain strictly privileged and confidential between the parties, and shall not be discussed, revealed, disseminated or divulged to the media or general public, or to any other third party, without the express prior written consent of the other party, which consent shall not be unreasonably withheld; except that (i) the Buyer may disclose any relevant term to a financial institution for the purpose of financing the purchase of the Airframe or any technical data to any potential purchaser or lessee of the Airframe from the Buyer; (ii) the Buyer may disclose

any relevant term to its insurers for the purpose of insuring the Airframe; (iii) either party may disclose any relevant term to any of its Affiliates; (iv) either party may make any disclosure required by generally accepted accounting principles, by applicable Law or by any order of a court or other Governmental Body; (v) either party may make any disclosure in connection with any litigation relating to the transactions contemplated by this Agreement; (vi) either party, or their professional advisors, may make any disclosure to any of its agents, employees, auditors, lawyers, any Governmental Body having jurisdiction over it or any other person which it in good faith determines has reason to have knowledge of such information; (vii) either party may make any disclosure to the extent such information is publicly available through no fault of the party making the disclosure; (viii) either party may make any disclosure to the extent such disclosure is necessary to carry out its obligations hereunder; (ix) the Buyer may make a press announcement in respect of the transactions contemplated hereby and may announce the same in any of its shareholder or other reports

9. **Export Compliance.** Seller represents and warrants that it will comply with all applicable import and export control laws and regulations, including, without limitation, the United States Export Administration Regulation (“EAR”), the United States International Traffic in Arms Regulations (“ITAR”), the United States Office of Foreign Assets Control Regulations, the United States Foreign Trade Regulations, European Union and country-specific import and export regulations including EU and/or country-specific sanctions regimes, and other applicable laws and regulations, and will retain documentation evidencing such compliance. Seller will obtain import and re-export approvals and licenses required for Parts, transfers, services and technical data delivered and will retain documentation evidencing compliance with those laws and regulations. Seller agrees to indemnify and hold Buyer harmless from any fines, penalties, or other liability imposed by any government entity arising from any failure of Seller to comply with such laws and regulations.