

1. **TERMS OF ACCEPTANCE.** *DRT AEROSPACE, LLC ("DRT"), a limited liability company organized and existing under the laws of the State of Ohio, USA, and Buyer agree that acceptance is expressly limited to the terms and conditions contained herein and any further terms and conditions stated in the quotation attached hereto shall together with the specifications of the Equipment and or Parts (the "Products") sold hereunder constitute the complete agreement between DRT and Buyer and shall supersede and cancel all prior understandings, transactions and communications, whether oral or written, with respect to the matters referred to herein and shall form the complete contract between DRT and Buyer, and shall be binding upon and accrue to the benefit of the successors and assigns of the parties hereto.*

Any provisions printed or otherwise contained in any document that are contrary, different or additional to these terms and conditions, or any alteration in these terms and conditions, shall have no force or effect, and Buyer hereby agrees that any such provisions or alterations shall not constitute any part of this contract unless expressly agreed to in writing by DRT. If Buyer has previously made DRT an offer with respect to the Products, DRT's acknowledgment or confirmation shall not operate as an acceptance of Buyer's offer, but rather shall be deemed to be a counteroffer.

The term "Products" shall include all quoted goods, whether manufactured by DRT or others.

2. **VALIDITY.** This proposal and its terms automatically terminate if not accepted by Buyer within thirty (30) calendar days from date of issue of this proposal.

3. **PRICING, RISKS AND TRANSPORTATION.** The Products shall be shipped F.O.B. DRT's plant. Prices quoted do not include any additional costs, including, but not limited to, carriage and delivery costs, insurance, taxes, license fees, installation and other related charges, which are the sole responsibility and expense of Buyer. Insurance provided by Buyer shall also cover the tools and other objects of DRT's assembly or service personnel where applicable. In the event that DRT expressly assumes any costs associated with the delivery, shipment, or installation of the Products in the quotation or order, the burden of any subsequent increase in these costs shall be borne by Buyer. Regardless of whether DRT assumes any of the aforementioned costs, all risk of damage, loss or theft shall be borne by Buyer. DRT reserves the rights to increase the price of the Products stated in its quotation or order to reflect any subsequent increase in the cost of materials or labor in the manufacture, delivery, or installation of the Products.

4. **DEFERMENT AND CANCELLATION.** DRT's current written policy in effect on deferment and cancellation is incorporated by reference into, and constitutes an integral part of this Agreement (the Deferment and Cancellation Policy). Buyer acknowledges that it has been provided with the opportunity to review the Deferment and Cancellation Policy. Any deferment from the scheduled shipping date will be subject to a charge of three percent (3%) per month of the unpaid amount of the invoice price to cover the inventory carrying cost (Deferment Charges). Any deferment of more than ninety (90) days, or a second deferment, will be treated as a cancellation.

All cancellations are subject to charges as determined by DRT. Cancellation charges will include, but are not limited to, engineering charges, all material purchases, and all factory labor expended on the subject order (Cancellation Charges). On receipt of such cancellation notice, all work on the order or part thereof canceled will be stopped as promptly as is reasonably possible. Buyer will then be invoiced for and pay to DRT the applicable Cancellation Charges.

Deferment and Cancellation Charges will be charged against the down payment and any progress payments. The balance remaining shall be invoiced to the Buyer for payment. Failure to pay Deferment Charges will result in order cancellation and Cancellation Charges. Deferment and Cancellation Charges must be settled prior to acceptance of any new orders.

5. **PAYMENT PROVISIONS.** Payments shall be made as stipulated without any deductions, including, but not limited to, deductions for discounts, expenses or taxes of any kind, or for any alleged damages or claims arising under this Agreement or any other agreement unless expressly agreed to in writing by DRT. In the event that Buyer shall fail to pay any part of the purchase price when due, DRT may, at its option, defer further shipments or cancel the unshipped balance. DRT reserves the right, prior to making any shipments, to require from Buyer satisfactory security for performance of Buyer's obligations. If, due to circumstances beyond DRT's control, delivery, assembly, placement into operation or acceptance of the Products are delayed, the terms of payment shall remain unchanged as if the Products had been delivered and/or placed into operation at the originally prescribed date. Non-delivery of non-essential parts which do not prevent the use of the Products or repairs and/or replacements to be made under DRT's warranty [if applicable] after the beginning of operations, do not affect or alter either the terms of payment or the period of warranty agreed upon.

Interest shall be assessed, at a rate determined by DRT in an amount equal to or greater than DRT's cost of borrowing, to any portion of payment not made in accordance with the terms of this Agreement. Payment of such interest does not relieve Buyer of its obligations under this Agreement.

Unless and until the Products is fully paid for, Buyer hereby grants DRT a security interest in the Products to secure the unpaid balance of the price and all other obligations of Buyer to DRT however arising. Buyer grants DRT a power of attorney to execute and file on behalf of Buyer all necessary financing statements and other similar documents required to perfect the security interest granted herein.

6. **DELIVERY.** Any indicated date of delivery is only an approximate delivery date and will not be binding unless agreed to in writing by DRT. While DRT will attempt to meet any agreed delivery date, it shall not be liable for delays in manufacture or delivery due to any event beyond DRT's or its subcontractors' reasonable control, including, but not limited to: *force majeure*, war, fire, flood, acts of God, acts of third parties, acts of government authority or any agency or commission thereof, accident, breakdown of Products, differences with employees or similar or dissimilar causes beyond reasonable control, including but not limited to, those interfering with production, supply or transportation of product, raw material or components or DRT's ability to obtain, on terms DRT deems reasonable, material, labor, Products or transportation.

Delivery shall also be delayed if Buyer fails to timely perform its obligations under the Agreement or if Buyer fails to submit or later modifies information necessary for the manufacture of the Products. Delay in delivery does not entitle Buyer to cancel the Agreement or to claim damages directly or indirectly attributable to such delay unless: (a) Buyer establishes that the delay was within the control and due to the fault of DRT, (b) Buyer suffered damages as a result of such delay, and (c) DRT has expressly agreed in an additional writing.

7. **CONFIDENTIAL INFORMATION.** Buyer agrees that ideas, specifications, drawings, designs or inventions conceived, originated or developed by DRT in the course of fulfilling its obligations under this Agreement are the confidential and proprietary property of DRT. Copyrights and other industrial property rights relating to such documents or matters referred to therein remain vested exclusively in DRT. Buyer shall take all reasonable precautions to prevent such material from being divulged to any third party without express written permission from DRT. Buyer also agrees not to file applications for patent on any systems, components or Products originating from DRT.

Any violation of this provision by Buyer shall entitle DRT to cancel the Agreement immediately. Buyer further agrees that any violation or threat of violation of this provision will result in irreparable harm to DRT for which damages would not be an adequate remedy and, therefore, in addition to its rights and remedies otherwise available at law, including without limitation the recovery of damages for breach of the Agreement, DRT shall be entitled to equitable relief, including both temporary and permanent injunction, to prevent any unauthorized use or disclosure, and to such other and further equitable relief as the court may deem proper under the circumstances.

8. **SITE PREPARATION.** Buyers shall prepare and maintain the Products site in accordance with DRT's specifications. This includes proper power, grounding, temperature and humidity control and other factors to ensure the proper environment for the Products. Failure to establish and maintain these standards may result in Product malfunction or inconsistency and will void any DRT warranty.

9. **REGULATORY LAWS.** Buyer shall draw DRT's attention to legal provisions and other regulations that are applicable with respect to delivery, assembly, electrical and other connections, operation and prevention of accidents. DRT, however, makes no representations that the Products conform to federal, state or local laws, ordinances, regulations, codes or standards except as may be otherwise agreed to in writing by DRT. It is Buyer's responsibility to ensure that DRT's Products comply with local electrical power company regulations and to obtain any permits necessary for the installation or operation of the Products.

The Occupational Safety and Health Act (OSHA) of the United States of America imposes certain requirements on an employer including many relating to the use of machinery. The interpretation and applicability of the regulations issued pursuant to OSHA is directly related to the conditions and manner in which the Products are used. *DRT believes that the Products can be used in a manner which complies with OSHA and its regulation, but cannot and does not so warrant, and makes no warranty of any kind other than the warranty set forth in Section 13.*

10. **PRODUCT TESTING AND ACCEPTANCE OF PRODUCTS.** The Systems shall be tested by DRT before shipping. Additional testing will be performed only if expressly agreed to by DRT in writing. The cost for any additional testing will be borne by Buyer. If the additional testing cannot be completed within the period specified for reasons beyond DRT's control, it is understood that the qualities to be tested are deemed to be met.

Buyer hereby waives any right of rejection or revocation of acceptance or any claim or defense based on the quality of the Products unless Buyer examines the Products upon receipt of shipment, and within ten (10) days thereof notifies DRT of the specific nature of any claimed defect by telegram, registered mail or telecopy at the addresses provided in the quotation or offer. Buyer's sole and exclusive remedy in cases of delivery of defective products is governed by the warranty provision of this Agreement.

11. **LIMITED WARRANTY.** DRT's limited warranty on the Products is incorporated by reference into, and constitutes an integral part of this Agreement (the Limited Warranty). Buyer acknowledges that it has been provided with the opportunity to review the Limited Warranty.

THE LIMITED WARRANTY IS IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

12. **LIMITATIONS ON REMEDIES AND LIABILITIES.** Buyer agrees that DRT's liability and Buyer's sole and exclusive remedy pursuant to any claim of any kind, including but not limited to a claim in contract, negligence or strict liability, against DRT or any of DRT's affiliates, shall be the repair or replacement, at DRT's option, of the defective Products or parts thereof. Claims include all claims of any kind including, but are not limited to, those for any loss or damage arising out of, connected with, or resulting from this Agreement from the performance or breach of the terms and conditions hereof, or from the design, manufacture, sale, delivery, resale, installation, technical direction of installation, inspection repair, operation or use of the Products or part thereof covered by this Agreement.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, DRT WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, REVENUE OR BUSINESS) OR ATTORNEYS' FEES RESULTING FROM OR IN ANY WAY RELATED TO DRT'S PRODUCTS AND WHETHER FOR INJURIES TO PERSON, PROPERTY OR OTHERWISE.

13. **DEFAULT.** If Buyer defaults in performing any of its obligations to DRT under this Agreement, or any other agreements, or if Buyer shall be insolvent or cease doing business or be the subject of any proceedings under any bankruptcy, insolvency, reorganization or arrangement statute or law, or, without DRT's written consent, Buyer sells, transfers, leases, pledges or permits any lien on or attachment of the Products or any part thereof, such acts, at the option of DRT, shall be deemed a default under this Agreement. DRT may, at its option and without incurring any liability thereby, elect to cancel this Agreement and/or any or all other agreements with Buyer, and pursue all available legal and equitable remedies, including, but not limited to the right to accelerate any unpaid balance under this Agreement or any other agreement with Buyer, and any right to repossess the Products.

14. **GOVERNING LAW.** This Agreement shall be construed and governed by the laws of the state of Ohio, including Article 2 of the Uniform Commercial Code as codified in Ohio Revised Code Chapter 1302.

15. **DISPUTE RESOLUTION; ARBITRATION.** Prior to seeking arbitration, the parties agree to meet with each other at a senior level to attempt to resolve differences. Any controversy arising out of this Agreement shall be submitted to arbitration and conducted in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association, the Federal Rules of Civil Procedure and the Federal Rules of Evidence, by which each party will be bound. The arbitration proceeding itself, however, shall be conducted by the arbitrator(s) as selected below and not by the American Arbitration Association. Any arbitration proceeding will be conducted in Dayton, Ohio.

If the parties have not agreed during their negotiations on a single arbitrator to whom the controversy will be submitted, either party may select an arbitrator and send written notice to the other party of the selection. The party receiving such notice will have 30 days from the date of receiving such notice to select an arbitrator and notify the party who selected the first arbitrator. Failure to select the second arbitrator and to send timely notice, as provided above, empowers the arbitrator first selected to resolve the controversy. If both arbitrators have been named, they will as soon as is reasonably practicable (but within 30 days from the date the latter of the two arbitrators was named) name a third arbitrator.

The parties agree to be bound by the decision of the arbitrator (s) and the decision thereof to be entered into any appropriate court or other jurisdiction. Unless otherwise provided in this Agreement, the prevailing party in the arbitration shall be promptly reimbursed for its reasonable costs and fees (including attorneys' fees) incurred in connection with the arbitration and shall not be responsible for the costs of arbitration.

16. **NOTICES.** Any notices under this agreement shall be delivered by hand or sent by registered mail or telecopy at the addresses provided in the quotation or offer, and shall be deemed effective three (3) days after having been sent.

17. **MISCELLANEOUS.** No provision in this Agreement shall be waived, changed, terminated, or rescinded, except by a writing signed by the party to be charged by any such waiver, change, termination or rescission. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any similar or dissimilar provision of any prior or subsequent breach or shall constitute an amendment or modification of this Agreement. If any provision of this Agreement shall be held to be unenforceable or inapplicable, such holding shall not affect the enforceability of any other provision of this Agreement. No contract to purchase or license products from DRT may be assigned by Buyer without the prior written consent of DRT. Any purported assignment is void. The provisions of this Agreement otherwise shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

WARRANTY

- A. DRT AEROSPACE, LLC (DRT) provides a one (1) year warranty from the date of shipment to cover defects in equipment sold due to material or workmanship. Unless otherwise noted below, the warranty applies to all equipment manufactured by DRT or for DRT to its design specifications.
DRT's sole obligation under this warranty is limited to the repair or replacement, free of charge to Buyer, except as expressly hereinafter provided, of defective parts at DRT's plant of manufacture contingent upon the following conditions: That DRT receives notice of the defect, including a detailed description of the defect, within fifteen (15) calendar days of its discovery by Buyer; that Buyer establishes that the Equipment has been properly installed, maintained and operated within the limits of normal usage as specified by DRT; that Buyer ships, at Buyer's expense, the defective Equipment or part thereof, if necessary, to DRT's plant which manufactured the Equipment.
- B. This warranty excludes all wearing components that have normal wear due to process characteristics.
- C. The terms of this warranty do not in any way extend to any Equipment, or part thereof, which have an expectant life, under normal usage, inherently shorter than one (1) year.
- D. Performance and production capabilities, when stated in the quotation for the Equipment or any part thereof are merely DRT's best estimates based upon its understanding of the tooling usage, materials processed, accessories and other factors not all within DRT's control, therefore, DRT assumes no responsibility for failure to meet such estimates.

In no event will DRT be responsible for damages beyond the purchase price of the system. DRT's obligations shall be limited to replacement of any system, or portion thereof, F.O.B. DRT's plant. **IN NO EVENT SHALL DRT BE RESPONSIBLE FOR ANY LOSS OF PROFITS OR OTHER CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES WHICH THE PURCHASER MIGHT INCUR.**

DRT's OBLIGATIONS SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF ANY DEFECTIVE GOODS F.O.B. DRT's PLANT. THE ABOVE WARRANTY COMPRISES SELLER'S SOLE AND ENTIRE WARRANTY OBLIGATIONS AND LIABILITY IN CONNECTION WITH THE GOODS SOLD HEREUNDER. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS AND AGAINST INFRINGEMENT OF INDUSTRIAL OR INTELLECTUAL PROPERTY RIGHTS ARE EXPRESSLY EXCLUDED.