

LATITUDE ENGINEERING - GENERAL TERMS OF SALE

1. General Scope

These General Terms of Sale (“Terms”), together with the terms and conditions set forth on the purchase order form (“Order Form”) (collectively these Terms and the Order Form are referred to as the “Order”) shall exclusively apply to all sales, deliveries, purchase of goods, and services (“Products”) between the customer(s) identified on the Order Form (jointly the “Customers” and each, individually, a “Customer”) and Latitude Engineering, LLC, an Arizona limited liability company (“Latitude”) regarding the Products specified in the Order Form. These Terms and the terms and conditions stated on the Order Form govern the Order. Any acceptance or order by Customer stating different or additional terms from those stated in the Order are not binding or effective unless expressly agreed to in writing and duly signed by Latitude. General terms and conditions set forth by the Customer shall not, at any time, form a part of the Order or any other contract or agreement between the Customer and Latitude.

2. Order and Order Acceptance; Conclusion of Contract

2.1. Orders may be placed with Latitude by email, at accounting@latitudeengineering.com. Orders are not binding upon Latitude until Latitude’s acceptance of the Order (“Order Acceptance”). Notwithstanding Order acceptance, in the event Customer is in breach of any obligations pursuant to any Order made by Customer, or any other agreement entered into between Customer and Latitude, Latitude shall have no obligation to deliver any items set forth in the Order.

2.2. After an Order is placed with Latitude, any change to the Order (“Order Change”) shall require written confirmation and approval by Latitude. An Order Change shall only be available in the event such Product has not yet entered production.

3. Prices

3.1. All prices and fees quoted by Latitude exclude taxes (if applicable), transport, delivery, assembly, or other costs, which Latitude will add to the final invoice for the Order.

3.2. Prices in brochures or catalogues are not binding until confirmed in writing by Latitude.

4. Terms of Payment

Unless otherwise agreed to in writing between Customer and Latitude, payment for an Order is due at Order Acceptance (“Payment”). Payment must be made without offset, deduction, or counterclaim, regardless of any claim by Customer. If Customer cancels the Order for any reason other than Latitude’s breach of the Order, Latitude shall reimburse the Payment, less any costs and expenses preparing the Order or Product. If Customer fails to make timely payment of any amounts due hereunder, then in addition to any other right that Latitude may have, Customer shall pay to Latitude a late payment charge at the lower of 1.5% per month or the highest rate permitted by law, compounded daily and calculated on the basis of the number of days actually elapsed in a 365 day year, beginning on the due date and ending on the day prior to the day on which payment is made in full. Interest accruing under this Section shall be due on demand. The accrual or receipt by either party of interest under this Section shall not constitute a waiver by that party of any right it may otherwise have to declare a breach of or a default under this Agreement.

5. Delivery

5.1. Customer acknowledges that all planned shipping and delivery dates are tentative, and unless a specific delivery date is confirmed in writing by Latitude, Latitude shall not be liable for any delay in shipping or delivery. Latitude shall use commercially reasonable efforts to meet all shipping and delivery dates.

5.2. Latitude shall not be liable for unforeseen causes, which may hinder shipping or delivery, and which are beyond Latitude’s

control. Force majeure, operational faults, strikes, or other hindrances, for which Latitude is not responsible, at Latitude's premises or those of its suppliers, shall release Latitude from any delivery obligation for the duration of the disturbance and its effects. Additionally, Latitude may terminate the Order, at no cost or penalty to Latitude, in the event that any of the hindrance described herein exceeds a period of six (6) months, and Customer shall have no claims for damages in the event of such withdrawal.

5.3. If Customer wrongfully rejects or revokes acceptance of the Product(s) or fails to make payment due on or before delivery, or repudiates all or part of the contract for the Products shipped, Latitude may withhold delivery, or stop delivery of the Products, cancel any or all Orders or agreements with the Customer, or claim damages at Latitude's exclusive option.

5.4. Upon delivery of the Products to Customer, Customer shall have five (5) business days from receipt of delivery of the Products to Customer ("Review Period") to reject Products that do not conform to the Order. Customer will provide Latitude with prompt notice of rejection within the five (5) business day Review Period. If Latitude believes the Products conform to the Order and thereby disagrees with Customer's rejection, Customer will enter into good faith discussions with Latitude to resolve the disagreement. If the parties are unable to resolve the disagreement within twenty (20) business days after Review Period, then the parties will pursue resolution of the dispute. In the event of hidden defects, Customer shall notify Latitude in writing within five (5) business days upon the discovery of the defect giving rise to the claim.

6. Place of Delivery; Transportation; Transfer of Risk

6.1. The risk of accidental destruction or damage to the Products passes to Customer at the earlier of the following:

6.1.1. when the Products are transferred to a carrier at Latitude's facility in Tucson, Arizona; or

6.1.2. on the agreed date of delivery, if the Customer fails to accept delivery as provided for in the Order.

6.2. In the event Latitude undertakes other services, (e.g. dispatch or transportation) for Customer, the full risk of accidental destruction or damage to the Products immediately passes to Customer. Transportation shall be exclusively at the Customer's expense and risk. Latitude shall not be liable for any costs of transportation, including without limitation, charges incurred at the point of destination, such as pier loading charges, storage, demurrage, etc.

6.3. If dispatch is delayed as a result of circumstances for which the Customer is responsible, the risk passes to the Customer on the date of readiness for dispatch.

6.4. Insurance for the Products during transport shall be the sole responsibility of Customer.

6.5. Latitude, at its sole discretion, shall select the packaging and method of dispatch.

7. Taxes

Any sales, use, or other tax or duty, however designated, levied or based on the price of the Products, shall be excluded from any price quoted and billed to Customer. Payment of such taxes shall be the responsibility of Customer. Should Customer wish to claim an exemption from such tax or duty, Customer shall provide Latitude with appropriate exemption documents, or any other documents acceptable to Latitude, in its sole discretion, showing such exemption from tax or duties.

8. Export Regulations

Latitude observes export laws, restrictions, and guidelines regarding the sale of Products, of which export is restricted, including, but not limited to, the Arms Export Control Act (Title 22, U.S.C., Sec 2751, et seq.) and the Export

Administration Act of 1979, as amended, Title 50, U.S.C., App. 2401 et seq. Products subject to the jurisdiction of the International Traffic in Arms Regulations (ITAR), or Export Administration Regulations (EAR), require licensing by the US Department of State or the US Department of Commerce for export. Transfer of Product by any means to a foreign person, whether in the United States or abroad, without prior approval from the United States Government is strictly prohibited.

9. Intellectual Property Rights

Latitude, and its licensors, will at all times reserve full title to and retain ownership over the creative elements of the Products, including, without limitation, copyrights related to documents, estimates and calculations of prices, samples, artwork, designs, drawings, photos, negatives, pictures, brochures, graphics, catalogues, and all intellectual property rights in and to the foregoing, created and used in connection with the Products and the Order ("Latitude IP"). The Customer shall not attempt to grant to any third party access or rights to Latitude IP, or otherwise publish or copy Latitude's content without having obtained Latitude's prior written consent.

10. Product Warranty

10.1. Latitude Products are warranted, without charge, from manufacturer defect for a period of one (1) year after delivery, ("Warranty"). Such Warranty does not cover Customer error or misuse, which may include, but is not limited to, improper storage, transportation, assembly, use, unauthorized Product modification, or the alteration of the Product. In all events, Latitude shall not Warranty, and shall not be responsible for any Customer payload, loss of business revenue, or other costs as a result of a Warranty claim.

10.2. In the event of an operational issue with any Latitude Product under this Warranty, Latitude technical support is available to assist in the analysis of the event. There is no cost for such analysis support.

10.3. For Products damaged as a result of Customer action or inaction, including, but not limited to flight issues, misuse in a ground check, or laboratory environment, all such repair costs are the responsibility of the Customer. A return material authorization ("RMA") must be issued by Latitude prior to return of Product by Customer.

10.4. In the event of a Warranty claim pursuant to this Section 10, Latitude at its sole discretion, may either replace or repair the respective Product. Latitude's liability for damages resulting from such Warranty claim shall be limited pursuant to this Section 10. In addition, the parties agree understand, and acknowledge, in the event of a complete loss of aircraft due to a manufacturing defect, and such aircraft is covered by the Warranty, Latitude sole obligation shall be to pay the deductible under the Insurance Policy (as defined below), and any insurance proceeds under the Insurance Policy shall be used to pay or offset the cost for the aircraft.

10.5. At such time Customer notifies Latitude of a defective Product, upon approval from Latitude, Customer may ship, at Customer's sole and exclusive expense, such defective Product to Latitude.

10.5.1. Product Under Warranty. In the event, the Product is under Warranty, the defective Product will be repaired and sent to Customer free of charge, subject to Section 10.

10.5.2. Product Not Under Warranty. In the event the Product is not under Warranty, Latitude will notify the Customer of Latitude's intent to diagnose such possible defect, and provide Customer with payment instructions related to any diagnostic fees then in effect. If such diagnostic exam discovers a defect within the Product, Latitude will generate and send to Customer an estimate for such Product repair. Customer must issue a purchase order for repairs identified on the estimate prior to repairs commencing. Customer will be billed on a time and material basis for the repair. In the event the diagnostic exam discovers no known issues of defect, Latitude shall notify Customer of such

non-discovery, and Customer shall issue a purchase order to Latitude prior to Customer's Product being returned. Latitude shall ship the replaced or repaired Product to Customer, at Customer's sole and exclusive expense, within a reasonable period of time.

10.6. For aircraft covered by Warranty, the following are requirements for a Warranty to be valid and covered by Latitude:

10.6.1. Customer must have received appropriate training by either Latitude, or an authorized third party previously approved by Latitude;

10.6.2. Customer must maintain liability and hull insurance with a deductible not to exceed \$10,000 ("Insurance Policy"). Customer must provide an insurance certificate representing to proof of insurance coverage;

10.6.3. Customer must maintain an account on Latitude's Aircraft Operations Manager online system, and maintain regular and accurate logs, including uploading of telemetry;

10.6.4. Customer must follow all maintenance procedures and be trained in such procedures, or use an approved third party maintenance facility;

10.6.5. Customer must comply with all notices or special instructions provided by Latitude in the event any airworthiness issue are discovered; and

10.6.6. All defective parts must be returned to Latitude to assist with root cause analysis.

Unless expressly warranted, Latitude makes no claim that the Products comply with applicable law, regulations, or specifications in any jurisdiction in which the Products may be sold or marketed. Any governmental or other approvals necessary in connection with the resale, marketing, distribution, or use of the Products shall be the sole responsibility of the Customer.

DISCLAIMER. OTHER THAN AS EXPRESSLY SET FORTH HEREIN, THE PRODUCTS ARE PROVIDED "AS-IS" WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES, NON-INFRINGEMENT, WARRANTY OF MERCHANTABILITY, OR FITNESS FOR PARTICULAR PURPOSE. THE HARDWARE AND SOFTWARE MAY BE HARDWARE OR SOFTWARE CREATED OR MANUFACTURED BY THIRD PARTIES AND, ACCORDINGLY, LATITUDE EXPRESSLY DISCLAIMS LIABILITY RELATED TO SUCH SOFTWARE OR HARDWARE AND DOES NOT WARRANT THAT THE OPERATION AND USE OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. IN THE EVENT A PRODUCT INCORPORATES THIRD PARTY HARDWARE OR SOFTWARE, ANY CLAIM FOR WARRANTY SHALL BE FILED BY CUSTOMER WITH SUCH THIRD PARTY.

11. Indemnity

Customer will indemnify, defend, and hold harmless Latitude, its officers, directors, members, affiliates, agents, employees, and consultants from and against any and all actions, losses, liabilities, costs, damages, claims, demands, judgements and expenses of any kind (including, without limitation, attorneys' and experts' fees, costs and expenses) (collectively, "Claims") arising from or related to: (i) Customer's use or sale of any Products; (ii) Latitude's use of Customer content; (iii) Customer's actual or alleged violation of any law, statute or ordinance or any administrative order, rule or regulation relating to the Products, or (iii) Customer's breach of this agreement, including, without limitation, any breach of warranty. Latitude will notify Customer of any and all Claims and Customer will defend or settle, at its own expense, each and every Claim.

12. Limitation of Liability

IN NO EVENT WILL LATITUDE, ITS OFFICERS, DIRECTORS, MEMBERS, AFFILIATES, AGENTS, EMPLOYEES, AND

CONSULTANTS HAVE ANY LIABILITY UNDER THIS AGREEMENT TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, AND EVEN IF LATITUDE HAS BEEN ADVISED OF THE POSSIBILITY OF THESE DAMAGES. LATITUDE'S LIABILITIES UNDER THIS AGREEMENT, WHETHER UNDER CONTRACT LAW, TORT LAW, WARRANTY OR OTHERWISE WILL NOT EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER TO LATITUDE IN THE TWELVE (12) MONTHS PRIOR TO THE DATE OF THE ACTION GIVING RISE TO THE LIABILITY.

13. Insurance

In the event Latitude provides training services or operations for Customer, Customer shall maintain, at its own expense: (i) Comprehensive General Liability insurance in an amount of at least \$1,000,000. combined single limit for bodily injury and property damage and a \$1,000,000. annual aggregate; (ii) Comprehensive Automobile Liability insurance in an amount of at least \$1,000,000. combined single limit for bodily injury and property damage and a \$1,000,000. annual aggregate; (iii) Workers' Compensation insurance in accordance with such laws as may be applicable to the work to be performed hereunder; (iv) Employer's Liability insurance in an amount of at least \$1,000,000. combined single limit for bodily injury and property damage and a \$1,000,000. annual aggregate, and (v) Aviation Liability insurance in an amount of at least \$1,000,000. limit of liability per occurrence and in the aggregate. All such insurance policies shall expressly waive any right of subrogation against Latitude and its employees, officers, directors and agents. The required insurance policies shall be endorsed to require the insurance company to provide Latitude with at least thirty (30) days prior written notice of the effective date of cancellation or material change of any insurance policy. Customer shall provide Latitude with a certificate of insurance

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evidencing the insurance coverage as set forth above. Such certificate shall contain the policy number, effective date, expiration date and a statement noting Latitude as an additional insured.

14. Miscellaneous

14.1. The Order and all claims arising out of or related to these Terms shall be governed by and construed in accordance with the laws of Arizona without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than Arizona.

14.2. All disputes related to or resulting from these Terms shall be submitted exclusively to the courts of competent jurisdiction in Arizona.

14.3. If any provision contained in these Terms is held by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of these Terms, and the remainder of these Terms shall be enforced.

14.4. In the event of a violation or threatened violation of Latitude's proprietary rights, Latitude shall have the right, in addition to such other remedies as may be available pursuant to law or these Terms, to temporary or permanent injunctive relief enjoining such act or threatened act. The parties acknowledge and agree that legal remedies for such violations or threatened violations are inadequate and that Latitude would suffer irreparable harm.

14.5. The Customer may not assign its order or any right or interest therein or any other obligation arising hereunder without the prior written consent of Latitude.

14.6. The waiver by Latitude of any breach or violation of these Terms by the Customer shall not be construed as a waiver of any other existing or future breach or breaches by the Customer.

14.7. The parties hereto are independent contractors and nothing in these Terms will be

construed as creating a joint venture, partnership, employment or agency relationship between the parties.

14.8. These Terms shall apply to all sales of Products to the Customer and shall survive the termination or cancellation of any other agreements, including but not limited to supply agreements, between Latitude and the Customer.

14.9. These Terms and the Order constitute the entire agreement between the Customer and Latitude and supersede any prior or contemporaneous negotiations, communications and agreements relating to the subject matter of the Order.