



## TERMS AND CONDITIONS: SALE OF GOODS OR SERVICES

1. General: These Terms and Conditions of Sale (“Terms”) shall apply to all quotations or proposals (“Proposal”) and sales made by Cobalt Aero Services, LLC (“Cobalt”) for the performance of services and/or sale of goods to the customer (“Customer”).
2. Order: Any Purchase Order or Repair Order (“Order”) placed by the Customer with Cobalt or the payment to Cobalt for any product or service shall be deemed as Customer’s unconditional acceptance of these Terms. Notwithstanding the foregoing, should the Terms conflict with the conditions contained in any specific agreement entered into between Cobalt and Customer, the conditions of such specific agreement shall govern. The Terms shall prevail over any general purchase conditions related to or contained in an Order or other document submitted by Customer notwithstanding any provisions contained therein. Any Proposal issued by Cobalt constitutes a firm and valid offer for the duration specified in such Proposal or, if not specified, for a duration of thirty (30) calendar days from the date of the Proposal issuance. Any supply of product(s) and/or performance of service(s) shall be subject to a written Order from Customer in writing and written acceptance or confirmation of the Order by Cobalt. An Order issued by Customer is only binding (i) upon acceptance or confirmation by Cobalt of the Order or (ii) if Cobalt starts performing the services or delivering the goods.
3. Cancellation: An Order placed by Customer and confirmed by Cobalt cannot be cancelled by Customer without Cobalt’s written consent. Customer is fully liable and shall indemnify Cobalt for (i) expenses incurred by Cobalt in preparation of the goods or services to be sold including ceased triage, evaluation or engineering efforts for services sought by Customer’s Order, (ii) applicable evaluation charges as regularly set and charged at Cobalt’s sole discretion, (iii) applicable storage fees, and a restocking fee equal to 20% of the purchase price set forth in the Order. In no case may goods be returned without Cobalt’s prior written permission. All such approved returns must be shipped with transportation charges prepaid. Modification or reduction to the Order may result in an additional charge to Customer and/or an additional lead-time.
4. Prices: The prices do not include any duties, taxes, freight or packing or other charges, except when otherwise expressly agreed in writing between the parties. Charges are subject to currency exchange rate evolution between repair estimate and invoice date. All taxes, duties, fees or other assessments, including interests and penalties in connection therewith are for Customer’s account, with the exception of those imposed on corporate income and net profit of Cobalt levied by the United States government.
5. Invoicing and Payment: Down payments by Customer, if any, shall be in the amount set forth in the Cobalt Proposal and will be due and payable upon confirmation of the Order by Cobalt. All amounts due by Customer to Cobalt will be payable in U.S. dollars in readily available funds upon delivery of the goods or performance of work and/or service unless otherwise agreed between the parties. Payment may be made by wire transfer to the relevant bank account as specified by Cobalt or by a check from Customer. If any payment due to Cobalt is not received on the due date, a demand to pay shall, ipso facto, be deemed given as of that date and Cobalt shall have the right, without prior written notice, to claim interest from Customer at the rate of five percent (5%) annually of the invoice price per month calculated prorata as from the due date until the day when full payment is received. Such right shall be without prejudice to Cobalt’s other rights including but not limited to the right to suspend deliveries to Customer until such due payment is received or to claim for the immediate payment of any outstanding amount. Customer shall also have to pay a fixed cancellation penalty of ten percent (10%) of the amount overdue without prejudice to the rights of Cobalt of claiming from Customer the reimbursement of legal expenses and costs including reasonable attorney fees. Customer shall not be entitled to withhold any payment of any part of an invoice, nor shall Customer set off any amount against invoices. Any invoice not disputed in writing with detailed indication of the reason thereof within fifteen (15) calendar days from the invoice issuance date will be deemed irrevocably accepted by Customer. Customer agrees that a mechanic’s or materialman’s lien exists on equipment or property (including aircraft components) which is in the custody of Cobalt or present in Cobalt’s premises to the extent of Customer’s debts. Cobalt shall retain title to goods sold or exchanged to Customer until full payment of the entire price thereof by Customer.

**ALL GOODS OR PRODUCTS FORWARDED BY CUSTOMER ON WHICH COBALT HAS PERFORMED SERVICES (RECEIVE, TRIAGE, EVALUATION, QUOTATION, REPAIR, DISMANTLE, STORAGE, ETC.) AND REMAIN UNPAID FOR A PERIOD OF THREE (3) MONTHS FROM INVOICE DUE DATE OR WHEN CUSTOMER FAILS TO RETRIEVE GOODS OR PRODUCTS WITHIN A PERIOD OF THREE (3) MONTHS FROM THE DATE OF A REJECTED OR UNAPPROVED QUOTE, AT THE EXPIRATION OF THOSE TIME LIMITS, WHICHEVER OCCURS FIRST, CUSTOMER AGREES TO IRREVOCABLY TRANSFER ITS TITLE OF OWNERSHIP IN THOSE GOODS, PRODUCTS TO COBALT UPON WRITTEN NOTICE BY COBALT ADDRESSED TO THE CUSTOMER AT THE ADDRESS STATED IN THE CUSTOMER’S ORDER WITHOUT FURTHER LEGAL PROCESS OR DEMAND AND CUSTOMER HEREBY APPOINTS COBALT, THROUGH ITS OFFICERS, AS CUSTOMER’S TRUE AND LAWFUL ATTORNEY IN FACT TO EFFECT THE SALE, TRANSFER AND DISPOSITION OF TITLE TO THE PROPERTY TO COBALT FREE AND CLEAR OF ANY LIEN OR ENCUMBRANCE.**

6. Delivery and Transportation: Goods sold or products on which work and/or services are to be performed shall be sent DELIVERED DUTY PAID (DDP - Incoterms ICC 2000) to Cobalt’s facility and retrieval from Cobalt shall occur EX WORKS (EXW - Incoterms ICC 2000) Cobalt’s facility. Any item shall be transported in accordance with industries standards and regulations of the country of destination.



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Customer shall bear all risk associated with transportation in the event of faulty or unsecured packing when goods arrive at Cobalt damaged or when Cobalt packs goods for Customer retrieval upon/within the pallet, crate or package Customer provided or in which Customer delivered the goods to Cobalt.

Should Cobalt and/or its subcontractors be requested by Customer to arrange shipment of goods the Customer shall bear all risks associated with the transportation arrange by Cobalt and/or its subcontractors.

Customer acknowledges that the services or goods supplied by Cobalt under the Terms may be subject to export control laws and regulations, and diversion contrary to such laws and regulations is prohibited. Customer shall indemnify and hold Cobalt harmless against any damages, losses or fees of any kind imposed as a result of Customer failure to comply with any applicable export control law or regulation. Delivery times indicated on Proposal are approximate and non-binding, unless specifically agreed to in writing by Cobalt. Cobalt shall not be responsible for consequences of delays in delivery, including lack of notification thereof.

**STORAGE FEES OF \$100 PER MONTH FOR SMALL PARTS AND \$250 PER MONTH FOR LARGE PARTS (AS DETERMINED AT COBALT'S SOLE DISCRETION) WILL BE CHARGED AGAINST:**

- 1) ANY GOODS SOLD OR PRODUCTS ON WHICH WORK AND/OR SERVICES HAVE BEEN PERFORMED AND INVOICED AND GOODS HAVE NOT BEEN COLLECTED BY CUSTOMER STARTING THIRTY (30) CALENDAR DAYS FROM DATE OF INVOICE; OR,**
- 2) ANY GOODS NOT RETRIEVED WITHIN THIRTY (30) DAYS AFTER THE DATE OF A REJECTED OR UNAPPROVED REPAIR QUOTE, GOODS DETERMINED TO BE BEYOND PHYSICAL REPAIR (BPR) OR BEYOND ECONOMICAL REPAIR (BER) OR SCRAP; AND/OR,**
- 3) IF ANY STORAGE FEES ARE UNPAID AND/OR CUSTOMER'S GOODS ARE NOT RETRIEVED FROM COBALT AFTER THREE (3) MONTHS, COBALT MAY EXERCISE RIGHT TO DISPOSE OF THE GOODS AS MENTIONED UNDER ARTICLE 5 HEREIN.**

7. **Quality Requirements:** Customer acknowledges that Cobalt is a FAR Part 145 organization, and Customer agrees to cooperate under the requirements set out by the FAA and other applicable Civil Aviation Authorities. The continuing airworthiness of the aircraft is the responsibility of the aircraft operator and Customer shall order all work and services to be performed in that respect. Customer shall have the maintenance schedule and aircraft airworthy conditions approved by the relevant Aviation Authority. Customer shall supply to Cobalt all up-to-date technical data and information deemed reasonably necessary by Cobalt. Cobalt shall be entitled to subcontract performance of services to duly qualified organizations at Cobalt's sole discretion.

8. **Force Majeure:** Cobalt shall not be liable nor deemed to be in default for any failure to perform its obligations due to force majeure or any other cause beyond its reasonable control and which prevent Cobalt from performing its obligations, in total or in part, such as but not limited to: (i) acts of God or public enemy, act of civil or military authorities, any law, decision, regulation, directive or other act of any government, or the EASA/FAA authorities, or of any department, commission, board, bureau, agency, or court, war or civil war, armed hostilities, insurrection, riot, acts of nature, fire, flood, explosion, earthquakes, natural disaster, accident, total or constructive total loss, epidemic, quarantine restrictions, labor dispute in particular external strike, lockout or serious accidents (resulting in the cessation, slowdown or stoppage of work), embargoes; (ii) delay or failure of Customer to deliver as agreed the relevant item or supplies, the required documentation or information; (iii) delay or failure on the part of a third party supplier or vendor to procure materials, accessories, equipment, parts, tools and/or documentation, after due and timely diligence; (iv) campaign changes or manufacturer' design failure; (v) unforeseen major defect on the item to which the performance of services are related; or (vi) additional services or changes requested by Customer and not agreed at the time of the Order. When Cobalt demonstrates that one of the abovementioned events has caused damage or delay, the force majeure is presumed.

9. **Acceptance:** In the event that (a) Cobalt supplies goods to Customer: the goods shall be deemed accepted upon delivery unless the Customer notifies Cobalt in writing any non-conformities and/or apparent defects on the accompanying transport document within seven (7) calendar days of receipt by Customer; (b) Cobalt performs a service: within seven (7) calendar days after performance of the service, Customer shall notify Cobalt in writing of its rejection of the performed service if it does not comply with the Order. Any rejection shall specify the nature and scope of the deficiencies in such a service. If no rejection is reported to Cobalt in writing within the term of seven (7) calendar days, the performed service will be deemed definitively accepted by Customer. Notwithstanding anything to the contrary within the Terms, Customer will bear all risk of loss of or damage to, or caused by, such goods from the date of departure from Cobalt facilities.

10. **Liability - Warranty - Remedies:** No express or implied warranty is set forth in these Terms. The exclusive warranty of Cobalt is set forth in Cobalt's separate Statement of Warranty ("Cobalt Warranty") which shall be considered incorporated herein. Customer has consulted Cobalt's website prior to submitting any Order to check if Cobalt Warranty has been modified or updated.

**COBALT'S WARRANTY AND LIABILITY OBLIGATIONS AS SET FORTH IN COBALT WARRANTY ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND CUSTOMER WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES,**



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**OBLIGATIONS AND LIABILITIES OF COBALT AND ALL OTHER RIGHTS, CLAIMS OR REMEDIES OF CUSTOMER AGAINST COBALT AND/OR ITS INSURERS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT IN ANY PRODUCT DELIVERED OR SERVICE OR WORK PERFORMED, INCLUDING, BUT NOT LIMITED TO: (A) ANY WARRANTY AGAINST HIDDEN DEFECTS, (B) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, (D) ANY WARRANTY AGAINST INFRINGEMENT, (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY WHETHER IN CONTRACT, IN TORT OR OTHERWISE. IF THERE IS ANY CONFLICT BETWEEN THE TERMS OF THIS SECTION 10 AND THE TERMS OF COBALT WARRANTY, THE TERMS OF COBALT WARRANTY WILL CONTROL.**

**11. Insurance:** Customer shall procure and maintain such aircraft liability, aircraft hull, and comprehensive general liability insurance policies that Customer may carry on its own business, and/or any aircraft owned, leased, chartered, maintained or managed by Customer, naming Cobalt as an additional insured and waiving subrogation rights against Cobalt. The failure or refusal of Customer to adhere to the terms and conditions of this Article 11 in no way relieves the Customer from its duties under these Terms and/or at any applicable law to hold harmless, indemnify, and defend Cobalt from all alleged liabilities arising out of an aircraft accident, incident or mishap as described elsewhere in these Terms.

**12. Confidentiality and Proprietary Information:** Any information, document or data of whatever nature and support, commercial or otherwise, transmitted by Cobalt to Customer in connection with the Order and/or the supply of services or goods shall be deemed confidential information and, Customer undertakes not to disclose any such information, document or data to any third party for any reason whatsoever, and not to copy or reproduce any such information, document or data, without Cobalt's prior written consent, except (i) as may be required by law, (ii) for information in the public domain and/or accessible to the general public, (iii) for the internal use of Customer's representatives or agents only on a need-to-know basis. Should the performance of the services by Cobalt result in the creation and development of any intellectual or industrial property right, Cobalt shall have full title and interest in such right.

**13. Miscellaneous:** Cobalt shall, without prejudice to Cobalt's other rights, be entitled to suspend the performance of its obligation and/or terminate the Order (in whole or in part) by written notice and without need of judicial recourse, should Customer fail to remedy any breach of its obligations. Customer shall not assign an order or any interest therein or any rights hereunder (including the right to receive delivery) without the prior written consent of Cobalt. In the event that any provision of the Terms should for any reason be held ineffective, the remainder of the Terms shall remain in full force and effect. Provisions contained or referred to in Customer's order neither cancel nor modify nor add to the present Terms, unless otherwise agreed in writing between the Parties. The failure to enforce at any time any of the Terms or to require performance of same shall in no way be deemed to be a present or future waiver of the relevant Terms.

**14. Equal Opportunity Employer:** Cobalt adheres to a policy of providing equal employment opportunity for all qualified employees and applicants without regard to race, gender, color, religion, national origin, age, disability, or veteran status, and take affirmative action to insure compliance with such policy. Cobalt certifies to the best of its knowledge is in compliance with the requirements of all applicable federal, state and local laws and regulations prohibiting discrimination on the basis of a protected status.

**15. Changes:** - Any change to these Terms must be in writing and issued/published by Cobalt. Customer has consulted Cobalt's website prior to submitting any Order to check if these Terms have been modified or updated.

**16. Governing Law and Jurisdiction:** These Terms shall be governed by and construed with the laws of the State of Arkansas, without giving effect to any conflict of law rule that may require the application of the laws of another jurisdiction. The United Nations Convention on International Sale of Goods shall not apply to these Terms. Any claim, dispute or cause of action against Cobalt shall be submitted to the exclusive jurisdiction of the Courts of Garland County, Arkansas, that shall have jurisdiction of any claim, dispute or cause of action and Customer consents to the jurisdiction of the Courts of Garland County, Arkansas. Cobalt may, at its option, institute legal proceedings against Customer at the Courts of Garland County, Arkansas. Prior to the initiation of litigation by Customer or Cobalt, each agree to submit any dispute to mediation to be conducted by a certified mediator mutually agreeable to Customer and Cobalt with the expenses of mediation to be shared equally by Customer and Cobalt. In the event mediation is not successful, Customer and Cobalt agree to submit the dispute to binding arbitration with the laws of the State of Arkansas as governing law. The arbitration will be held in the State of Arkansas and conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator(s) will be final, and no appeal allowed to either party. Additionally, the final decision of the arbitrator(s) may be filed with the Circuit Court sitting in Garland County, Arkansas, and be enforceable as an order and final judgment of such court.

### Contact Information for Cobalt:

Name: Cobalt Aero Services  
Street Address: 190 Elmwood Drive  
City/State/Zip: Hot Springs, Arkansas 71901

Phone: 501-623-7211  
Email for Parts Sales: PartSales@Cobalt-Aero.com  
Email for Repair Sales: RepairSales@Cobalt-Aero.com