



COMMERCIAL TERMS AND CONDITIONS  
IKHANA Aircraft Services  
IKHANA Group, Inc.

1.0 GENERAL PROVISIONS

- 1.1 This writing is intended by the Parties as a final expression of their agreement concerning the matters contained herein, and is also intended as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the Parties and no usage of the trade shall be relevant to determine the meaning of the Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. Whenever a term defined by the Uniform Commercial Code is used in this Contract, the definition contained in the Code shall control.
- 1.2 No agent, employee or representative of IKHANA has any authority to bind IKHANA to any affirmation, representation or warranty concerning the goods sold under this Contract, and unless as affirmation, representation or warranty made by an agent, employee, or representative is specifically included within this written contract, it has not constituted a part of the basis of this bargain and shall not in any way be enforceable.
- 1.3 This Contract can be modified or rescinded only by a writing signed by both of the Parties or their duly authorized agents.
- 1.4 No claim or right arising out of a breach of this Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party.
- 1.5 No right or interest in this Contract, except the right to receive payment (s) of money, may be assigned by either IKHANA or the CUSTOMER without the written permission of the other party, and no delegation of any obligations owed, or of the performance of any obligation, by either IKHANA or the CUSTOMER, may be made without the written permission of the other party. Any attempted assignment or delegation shall be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.
- 1.6 Any proceeding for breach of this Contract must be commenced within one (1) year after the cause of action has accrued.
- 1.7 Any controversy or claim arising out of this Contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction. The parties agree that the arbitration shall be held in the County of Riverside, State of California. The cost of the arbitration shall be borne by the losing party or shall be borne in such proportions as the arbitrator (s) determine(s).
- 1.8 If any party to this Contract resorts to arbitration to enforce or interpret any provision of this Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other relief to which it may be entitled.
- 1.9 The Parties shall have all remedies afforded by each under the Uniform Commercial Code as adopted in the State of California as effective and in force on the date of this Contract.



## 2.0 PRICING

- 2.1 All prices are in United States Dollars, exclusive of any taxes, duties, and/or fees, as applicable.
- 2.2 All prices are subject to be reviewed annually on the Contract anniversary date and increased in accordance with United States Bureau Of Labor Statistics Consumer Price Index For All Urban Consumers (CPI-U).

## 3.0 PAYMENT TERMS

- 3.1 All payments are to be in certified funds by either of the following methods:

Certified check delivered to:

IKHANA Aircraft Services  
37260 Sky Canyon Drive  
Hangar 20  
Murrieta, CA 92563

Wire transfer to:

Bank of Hope  
8401 Reseda Blvd  
Northridge, CA 91324  
SWIFT Code NARAUS6L  
Routing number 122041235  
Beneficiary Name - IKHANA Group, Inc.  
Account number 005046556

- 3.2 IKHANA may alter these payment terms at any time by providing Customer thirty (30) days notice.
- 3.3 CUSTOMER is responsible for compliance with all applicable Monetary and Exchange Control Requirements including the responsibility of obtaining any required cognizant governmental permission or authority to make such payments.
- 3.4 It is agreed that under no circumstances will IKHANA be required to accept payment other than by the means and manner set forth in this Contract. If, for any reason, payment cannot be made in accordance with the terms of this Contract, the CUSTOMER must immediately notify IKHANA in writing of this fact and the reasons why payment in the agreed manner is impossible. IKHANA shall then have the option of either cancelling this Contract without penalty, or accepting the proposed manner of payment.
- 3.5 Deposits are considered non-refundable and will be retained as liquidated damages in the event a project is cancelled, unless mutually agreed otherwise by both parties.
- 3.6 Any unpaid invoice balance not paid within thirty (30) days of the invoice date will be subject to a 1% monthly finance charge on the unpaid balance.

## 4.0 ADDITIONAL CHARGES

- 4.1 Items such as the following may be considered for additional charges:
  - a. Labor, parts, materials, and/or services not identified within the Contract work scope, such items will be considered as "Out-Of-Scope".
  - b. Labor, parts, materials, and/or services resulting from discrepancies determined during Contract work and/or inspections.
  - c. Labor, parts, materials, and/or services resulting from additional work requested by Customer.
  - d. Applicable sales or use taxes, customs duties or fees, freight, and insurance.



- e. Exchange "Core" charges.
- f. Aircraft fuel, oil, insurance, and/or flight crews.
- g. Packaging, dunnage, and crating.
- h. Customer provided parts, materials, and/or services.

The above described items are representative and not exhaustive.

- 4.2 Additional charges will be accomplished on a time and materials basis unless mutually agreed otherwise in writing. Our shop rates will be provided upon request.

#### 5.0 PERFORMANCE

- 5.1 All work will be accomplished at our Murrieta, California, USA facility or other facility as specifically authorized by IKHANA.
- 5.2 All work will be scheduled as possible to meet customer's requirements subject to availability of labor, parts, materials, services, and facilities availability.
- 5.3 All work will be accomplished during normal business hours, unless otherwise determined by IKHANA.

#### 6.0 STANDARDS

- 6.1 All work will be accomplished in accordance with the requirements of FAA accepted or approved specifications and/or regulations as required by CFR 14 Chapter 1 Part 91 unless customer provides written notification otherwise.
- 6.2 All provided parts will be of airframe, engine, or propeller original equipment manufacturer or FAA approved engineering design, unless requested otherwise by customer in writing.

#### 7.0 EXPORT COMPLIANCE REQUIREMENTS EAR/ITAR

- 7.1 The Customer agrees to fully comply with all applicable export laws and regulations and shall obtain and renew any necessary governmental export permits or similar authorizations which may be required for export of all work including parts, materials and services. The Customer will also provide all relevant supporting data, drawings, information and/or documentation.
- 7.2 Notwithstanding any other provision hereof, IKHANA will have no liability (including no obligation to provide substitute work including parts, materials and services), nor will it be in breach hereof, if any government fails, for any reason, to issue or renew any export license or other official authorization affecting any work including parts, materials and services.
- 7.3 Export Administration Regulations (EAR)/International Traffic in Arms Regulations (ITAR), – Any technical data, components, and/or information provided may be subject to U.S. export control laws. Technical data, components, and/or information that are regulated/defined under the EAR/ITAR for export, diversion or disclosure contrary to U.S. law is prohibited. Such technical data, components, and/or information is not to be exported from the U.S. or given to any foreign person in the U.S. without prior written authorization from Ikhana Group, Inc. and the appropriate U.S. Government agency. Items controlled for export by the United States Government under EAR/ITAR are authorized for export only to the country of ultimate destination for use by the authorized ultimate consignee or end-user(s). They may not be resold, transferred, or otherwise disposed of to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining



approval from the United States Government or as otherwise authorized by U.S. law and regulations.

## 8.0 FORCE MAJEURE

8.1 The following are considered as cases of Force Majeure and Excusable Delays and relieve IKHANA of its obligations as long as the circumstances last:

Fire, mobilization, requisition, war, United Nations embargoes, currency restriction, insurrection, organized work stoppage, and/or acts of God.

### 8.2 Excusable Delays

a. The IKHANA shall not be liable for, or be found in default for, any delays in the delivery of the Aircraft or the parts, material and services, or in the performance of any other obligation to be performed by IKHANA under this Contract, resulting from any of the following events or occurrences (each, an "Excusable Delay"):

(i) A Force Majeure Event; or

(ii) Any delay resulting from any failure of Customer to perform any obligation required to be performed by it under this Contract; or

(iii) Any other delay resulting from any other cause to the extent it is beyond the reasonable control of IKHANA and it is not the result of the fault or negligence of the IKHANA.

b. As soon as practicable, but in any case no more than 20 Business Days after the occurrence of an Excusable Delay, IKHANA shall provide written notice thereof to Customer including a description of the details of the factors giving rise to the Excusable Delay and an estimated of the expected effect thereof upon the timing of the performance by IKHANA of its obligations under this Contract.

c. The Delivery Date shall be postponed for the same number of days as is required for the cause of the Excusable Delay to be remedied, as reasonably determined by IKHANA and the Customer.

8.3 IKHANA shall not be liable to the Customer for delay due to loss or structural damage of any Aircraft or to the extent caused by an Excusable Delay.

## 9.0 TITLE/RIGHTS OF USE

9.1 Property and title to the labor, parts, materials, and services provided by IKHANA will pass to the Customer when the purchase price is paid in full to IKHANA. Until the purchase price is paid to IKHANA, IKHANA retains a security interest in the work including labor, parts, materials, and services. Risk of loss of or damage to the work passes to the Customer at the time of delivery.

9.2 The Customer shall use technical documents provided by or on behalf of IKHANA for the sole purpose of operating, maintaining and supporting any aircraft type covered by these General Terms and Conditions.

9.3 IKHANA is the owner of all of its intellectual property rights, including patent, copyright, trademark, industrial design and trade secrets in technical documents. Such intellectual property rights:

a. Are confidential and proprietary to IKHANA or its affiliates;

b. Will not be disclosed or transferred to any third party without IKHANA's prior written consent; and



- c. Remain the property of IKHANA at all times, regardless of whether this agreement has expired or been terminated.

9.4 Under no circumstances does the Customer have the right to manufacture, produce, reproduce or sell any aircraft parts, drawings, information, or documentation produced by IKHANA without IKHANA's prior written authorization by an authorized IKHANA Officer.

## 10.0 LIMITED WARRANTY

### 10.1 Warranty Type

This is a limited warranty. It does not cover everything that can occur.

### 10.2 Warranty Coverage

IKHANA warrants that the work performed by IKHANA, as identified in the aircraft maintenance records completed and attested by IKHANA, will be free from defects in workmanship, parts and materials during the warranty period.

### 10.3 Warranty Period

a. This warranty is limited to the earliest occurrence of one of the following:

- (i) Six (6) months from the original date of installation or, in the case of engineering services, six (6) months from the original date of document issuance; or
- (ii) 500 flight hours from the original date of installation; or
- (iii) 500 flight cycles from the original date of installation.

10.4 Parts and components supplied by IKHANA will be covered by the part or component vendor's warranty. In no event will IKHANA's warranty exceed that of the vendor's warranty.

10.5 **Warranty Claim:** The Purchaser must provide written notification signed by a corporate officer, or equivalent, to IKHANA of the condition or defect on which warranty is sought, within seven (7) days after the condition or defect is discovered or with reasonable diligence would have been discovered. The claim may be initially provided via facsimile or e-mail but must subsequently be provided by an original document signed by a corporate officer or equivalent.

### 10.6 Warranty Payment:

- a. During the warranty period, IKHANA will repair or replace at our option, any defective part or material. The cost of parts, material, and/or labor to repair or replace will be paid by IKHANA, but the purchaser is responsible for import duties, sales and use taxes and freight as applicable.
- b. All work must be accomplished at IKHANA's facility or a facility approved by IKHANA, unless purchaser obtains prior written approval from IKHANA to have the work done elsewhere. Such off-site work shall be done at rates as approved by IKHANA. IKHANA shall have the option to furnish all parts, materials and accessories. Performance of warranty work by IKHANA, or offsite, does not extend the warranty period.
- c. IKHANA may, at our option, pro-rate all warranty payments in accordance with the greater of actual time or cycles consumed.

### 10.7 Warranty Voidance:

The warranty shall be void if and to the extent, in the judgment of IKHANA, that the discrepant product, part, material or workmanship has been altered or repaired outside IKHANA's facilities without its prior written approval, or has been subjected to misuse, accident or neglect. IKHANA is not responsible for any failure or defect caused by defective installation, subsequent maintenance,



or by any alteration. If any of these have occurred, IKHANA has no further liability or obligation. The warranty shall also be void in the event customer does not provide payment in accordance with contract requirements unless agreed otherwise by IKHANA.

**10.8 Legal Statement:**

**The limited warranty provided hereby is the sole and only warranty made by IKHANA and replaces any and all other warranties, express or implied, including but not limited to the warranties of merchantability and of fitness for a particular purpose. The sole and exclusive remedy of purchaser and any other person against IKHANA shall be for the replacement (or if IKHANA chooses, repair) of defective materials of workmanship as provided in this limited warranty. Under no circumstances shall IKHANA be liable in warranty, contract, tort or otherwise, for consequential or incidental damages, lost profits, lost sales, injury to person or property, or other damages regardless of the cause and customer expressly waives all such claims for damages.**

**10.9 Disputes:**

Any dispute between IKHANA and Customer, relating to, arising out of, or in any way connected to this Contract, any agreement between them, or any other work done by IKHANA, at the request of either party and notice to the other, shall be submitted to binding arbitration before a single neutral arbitrator, with hearings to be held in Riverside County, California. Within fifteen(15) days after a notice of arbitration, the parties shall meet and confer in within twenty-five (25) days after a notice of arbitration, either party may proceed to cause an arbitrator to be appointed by Endispute/JAMS (the "arbitration agency") and the parties shall thereafter comply with all procedures established by the arbitration agency, the arbitrator, and the provisions of Part 3, Title 9 (commencing with Subsection 1280, and including Subsection 1283.05) of the California Code of Civil Procedure, except that the specific procedure set forth in this paragraph shall prevail over any inconsistent procedures. The arbitrator shall have the power to order the parties to exchange information prior to hearing, including but not limited to production of documents and tangible object, summaries of testimony expected from witnesses, and statements of contention of fact and law. The arbitrator shall apply the substantive law of California (including California choice of law principles) and shall have the power to award all legal and equitable remedies, including provisional remedies, which a California court general jurisdiction could give; provided, however, that each party waives the right to receive consequential, punitive or exemplary damages or any other form of damages however denominated other than compensatory damages. The arbitrator may award to the prevailing party such party's costs of the arbitration, including reasonable attorney's fees. The written award of the arbitrator may be enforced as a judgment by any court having jurisdiction. The parties acknowledge and understand that this provision constitutes a waiver of the right to a trial by jury. If any provisions of this Limited Warranty are invalid, void, or unenforceable, the remainder of this Contract shall remain in full force effect. This Contract supersedes all negotiations and discussions.