

COMPONENT SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS

RECITALS

WHEREAS, Aviation Technical Services (“ATS”) is a certified Air Agency providing certain aircraft and component maintenance, repair, overhaul and modification services for which it is rated and other ancillary goods and services.

WHEREAS, CUSTOMER desires ATS to provide certain goods and services on aircraft components owned, operated or managed by CUSTOMER as may be requested by CUSTOMER from time to time.

WHEREAS, ATS desires to provide such goods and services under the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, obligations and rights contained herein and for other good and valuable consideration, the sufficiency of which is acknowledged, ATS and the CUSTOMER (hereinafter referred to individually as the “Party” or collectively as the “Parties”), agree as follows:

1. **SCOPE.** This Agreement is being entered into by the Parties to establish and memorialize their agreement and understanding with respect to certain services to be provided by ATS as further described herein. ATS shall offer Component inspection, repair, modification and overhaul services to CUSTOMER, and CUSTOMER shall order and accept such services under the terms and conditions set forth in this Agreement.
2. **DEFINITIONS.** In this Agreement the following definitions shall have the meanings set out below.
 - 2.1 **"Agreement"** means this Component Service Agreement General Terms and Conditions including any Appendices and other attachments, and amendments either now existing or later added in accordance with the terms herein.
 - 2.2 **"BER" (Beyond Economical Repair)** means the state of a Component for which the estimated Service cost is expected to exceed two-thirds or sixty-six percent (66%) of its replacement value (i.e. replacement cost) and/or at CUSTOMER's sole determination a significant enough percentage of market value for CUSTOMER to cancel the Service request.

- 2.3 "**CAAC**" means Civil Aviation Administration of China.
- 2.4 "**Component(s)**" means the parts and/or assemblies as requested in writing by CUSTOMER to be serviced by ATS under this Agreement.
- 2.5 "**CUSTOMER**" means any person or entity issuing an Order requesting Service(s).
- 2.6 "**DDP**" means Delivery Duty Paid (INCOTERMS 2010 wherein CUSTOMER shall mean "Seller" and ATS shall mean "Buyer").
- 2.7 "**EASA**" European Aviation Safety Agency.
- 2.8 "**Equivalent Component**" means a Component with a part number fully interchangeable with the Component it replaces.
- 2.9 "**Expendable Parts**" means miscellaneous common parts and materials necessary for the Inspection, Repair or Overhaul of a Component.
- 2.10 "**Ex Works**" means Ex Works (INCOTERMS 2010 wherein CUSTOMER shall mean "Buyer" and ATS shall mean "Seller").
- 2.11 "**FAA**" means the Federal Aviation Administration of the United States of America.
- 2.12 "**FAA DER**" means FAA Designated Engineering Representative through which repair approvals are made approved by the FAA and documented through a FAA 8110-3 form.
- 2.13 "**Inspect**" or "**Inspected**" or "**Inspection**" means the performance of an examination, bench check or test of a Component necessary to determine its condition.
- 2.14 "**Modify**" and "**Modification**" means the performance of an alteration or change to a Component or part in accordance with approved data.
- 2.15 "**Non-Repairable**" means Component(s), which have defects, or discrepancies, considered to be beyond established and approved repair criteria.
- 2.16 "**OEM**" means Original Equipment Manufacturer.
- 2.17 "**Order**" means a CUSTOMER issued order to initiate Inspection, Repair or Overhaul Services pursuant to this Agreement.
- 2.18 "**Overhaul**" means a full refurbishment of a Component in accordance with the manufacturer's Overhaul manual or other approved data.

2.19 “**Repair**” means the correction of discrepancies to the extent that a Component can be tagged airworthy, time continued, by ATS without performing an Overhaul.

2.20 “**Replacement Parts**” means parts specific to a Component which are necessary for the Repair or Overhaul of such Component.

2.21 “**Service(s)**” means goods and services provided to CUSTOMER by ATS, including Inspection, Repair, Modification and Overhaul of Components, pursuant to this Agreement.

3. ORDERS. CUSTOMER shall request Services by submitting Orders to ATS. Each Order shall be subject to the terms and conditions of this Agreement and shall be governed by and deemed to include the provisions of this Agreement. ATS will, upon acceptance of a CUSTOMER Order, perform the ordered Services on Component(s). Specific requirements for the Component(s) Service may be described in attachments to this Agreement or the applicable Order. CUSTOMER must provide ATS with all required information regarding components.

4. TAXES. The agreed prices and any other charges payable by CUSTOMER hereunder are exclusive of any sales tax, value added tax or similar charges, duties or taxes, which are or may be levied or assessed on the prices and charges hereunder. CUSTOMER shall be responsible for the amount of any U.S. Federal, Washington State and local sales or use taxes that result from the delivery or performance of the Services or the purchase, sale, lease, exchange, transfer, replenishment or maintenance of parts and supplies and other personal property for use in connection with the Services as contemplated hereby, except for transactions for which an appropriate tax exemption certificate is furnished to ATS by CUSTOMER. The amount of any such taxes for which CUSTOMER is responsible, if paid by ATS, shall be billed to Customer and CUSTOMER shall promptly pay the billed amount to ATS.

5. INVOICING AND PAYMENT.

5.1. Unless otherwise agreed to between ATS and Customer, ATS shall invoice Services after completion of the Inspection, Repair Modification or Overhaul of the Component(s) and upon shipment of the applicable Component(s) to Customer for redelivery.

5.2. The terms of payment are net thirty (30) days from date of invoice receipt. Payment of the entire invoice amount shall be made in United States dollars. See Appendix A for payment instructions.

5.3. Any sum due ATS under this Agreement that is not paid when due shall thereafter bear interest until paid at the lesser of, (i) one and one-half percent (1.5%) per month, or (ii) the maximum rate of interest allowed by applicable law. If CUSTOMER fails to pay any

amount when due under this Agreement, ATS shall have the right upon notice to CUSTOMER to suspend performance of Services and to terminate this Agreement. No forbearance or course of dealing shall affect these rights of ATS.

- 5.4. Should CUSTOMER dispute any invoice, CUSTOMER shall notify ATS within 10 days of the reasons that it disputes that invoice or any part of that invoice. Any adjustment of the invoice will be subject to mutual agreement. CUSTOMER shall not set off, withhold or deduct in whole or in part any undisputed portion of any invoice or any sums due on undisputed invoices in favor of disputed invoices.
- 5.5. CUSTOMER represents that it has all necessary authority to authorize the Services. Notwithstanding any agreements that CUSTOMER may have at any time with third parties, and without limiting ATS' rights or remedies upon CUSTOMER's default, CUSTOMER shall at all times remain primarily liable to ATS for all payment and performance obligations of CUSTOMER under this Agreement. CUSTOMER shall hold harmless and defend ATS from and against any claims or charges asserted by any third parties claiming an interest in the Components, or questioning the purchase of the Services by CUSTOMER from ATS.

6. DELIVERY OF COMPONENTS TO ATS

- 6.1. CUSTOMER shall deliver the Component(s) for Service to the ATS facility DDP as specified by ATS. CUSTOMER will bear all costs incurred to ship the Components to the shipping destination (including costs of freight and transit insurance) and will prepay all such shipping costs. If CUSTOMER ships Components to ATS's facilities from outside the United States, CUSTOMER will list itself as importer and nominate a customs broker. CUSTOMER is responsible for payment of all customs duties, taxes and other charges. CUSTOMER shall include applicable Service requirements for each Component in the Order.
- 6.2. CUSTOMER shall pack the Component(s) in accordance with ATA 300 and good commercial practices for protection against damage and deterioration during shipment and storage. CUSTOMER shall be liable for any damage to Component(s) due to improper packing by CUSTOMER. Up until the delivery of the Component(s) to ATS's designated facility, and subject also to Section 13 of this Agreement CUSTOMER and its insurers, if any, will relieve ATS of responsibility for all risks of loss or damage.
- 6.3. ATS shall notify CUSTOMER in writing of the estimated Service price within ten (10) business days of receipt of Component(s).

7. SERVICE GENERALLY

- 7.1. Authorized Service. ATS shall perform Service on the Component(s) in accordance with CUSTOMER's Order. Services will be performed in accordance with (i) the current Original Equipment Manufacturers' (OEMs) Repair or Overhaul procedures; and/or (ii) FAA/EASA/CAAC-approved Repair procedures as applicable; or (iii) FAA DER Repairs only with prior written approval of CUSTOMER; or (iv) other data approved by ATS in writing. The Services shall be performed at the ATS's facilities or those of its approved subcontractors. Upon completion of Services, ATS shall return Component(s) to CUSTOMER and provide CUSTOMER with FAA 8130-3, EASA Form 1, FAA/EASA dual release or CAAC certificates, as applicable.
- 7.2. Service Bulletins/OEM and DER Repairs. Service Bulletins and OEMs incorporated into Services as well as DER Repairs developed by ATS, which apply to Component(s) sent for Service shall be presented to CUSTOMER as quotations for Services and subject to CUSTOMER's written approval prior to performance by ATS.
- 7.3. BER Components. ATS shall inform CUSTOMER promptly if a Component is deemed BER. Such notification will take place prior to ATS's return shipment of the Component(s) to CUSTOMER. The Component(s) will be clearly identified and returned to CUSTOMER as BER, unless CUSTOMER otherwise directs ATS in writing within ten (10) days. ATS will charge CUSTOMER for Services incurred during the evaluation on BER Component(s). CUSTOMER will have sole discretion determining whether Component(s) are determined to be BER.

8. REDELIVERY OF COMPONENTS.

- 8.1. Upon completion of Service, ATS shall redeliver the Component(s) Ex Works ATS's facilities. Non-Repairable and BER Component(s) shall also be redelivered Ex Works ATS's facility.
- 8.2. ATS shall pack the Component(s) in accordance with ATA 300 and good commercial practice. ATS shall be liable for any damage to Component(s) due to improper packing.

9. EXPORT LAW COMPLIANCE.

- 9.1. CUSTOMER agrees to comply with all applicable U.S. export and import laws, rules regulations and requirements, including U.S. Dept. of State International Traffic In Arms Regulations (ITAR), as well as the U.S. Foreign Corrupt Practices Act and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. CUSTOMER shall not, and shall not request ATS to, export, directly or indirectly, any technical data pursuant to this Agreement or any product utilizing any such data to any country for which the U.S. Government or any agency thereof at the

time of export requires an export license or other governmental approval without first obtaining such license or approval.

9.2. The export and re-export of Component(s) and technical information under this Agreement is subject to compliance with all applicable export/import control regulations and requirements. CUSTOMER and ATS shall both be responsible for complying with all applicable export control requirements. ATS reserves the right to refuse to offer, sell, or supply under this Agreement if it is unable to supply and/or export the Component(s) or Services consistent with all applicable export and import laws, rules regulations and requirements, including U.S. Dept. of State International Traffic In Arms Regulations (ITAR), as well as the U.S. Foreign Corrupt Practices Act and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and under any UN Security Council Resolution and/or any other regulation, whether international or domestic in the event that the supply and/or export would amount to a contravention of the relevant legislation. CUSTOMER is responsible for obtaining such license(s) or taking such measures. Any supply or export made under this Agreement will be subject to the granting of the appropriate export license.

10. CERTAIN RECORD KEEPING AND REGULATORY RESPONSIBILITIES. Notwithstanding anything to the contrary contained herein, CUSTOMER shall have responsibility for and shall maintain all records, manuals and otherwise comply with all relevant aviation regulations applicable to its operations and shall maintain all required records and documents pursuant thereto. Without limiting the generality of the foregoing, Customer shall have sole responsibility for CUSTOMER's compliance with records relating to airworthiness directives, ground and crew qualifications, maintenance of training records and records relating to parts histories, and creation and maintenance of required manuals, policies and procedures.

11. WARRANTY.

11.1 Subject to the other provisions contained in this Section 19, ATS warrants to CUSTOMER that the Services will be free from material defects in workmanship introduced during ATS' servicing of a Component ("Warranty"). The foregoing warranty shall not apply to any parts, material or third party services incorporated in such Services and ATS makes no warranty, express or implied, with respect to such parts, material or services. ATS workmanship shall not be deemed defective if such workmanship was in compliance with applicable manufacturer's operating and maintenance instructions, quality instructions provided by CUSTOMER or procedures or applicable governmental regulations for such Service in effect at the time of such Service.

11.2 Warranty Period and Notice. The foregoing Warranty extends for a period of twelve (12) months from the date the Component is redelivered to Customer Ex Works ATS's facility. Customer's remedy and ATS' obligation and liability under the Warranty with

respect to each defect, are conditioned upon Customer providing written notice to ATS of its warranty claim at the earlier of (i) the date which is 10 days after the defect is discovered by Customer; or (ii) the expiration of the applicable Warranty Period.

- 11.3 Acceptance by ATS of any claims under the Warranty shall be conditional upon the Component(s) being stored in accordance with the OEM recommended storage procedures and in a suitable warehouse environment for the storage, custody and safe keeping of Component(s).
- 11.4 The obligations of ATS under this Warranty shall not be applicable in the event that the Component(s) or any part thereof, suffered any misapplication, misuse, accident, abuse, neglect, rust, corrosion, the entry of foreign materials, or any Force Majeure event or negligence or if CUSTOMER or CUSTOMER' agent, customer, or representative installed, operated, maintained, stored, packed or transported the Component(s), other than in full accordance with the OEM's recommendations. Further the foregoing warranties do not extend to (a) any services, modifications or other work by parties other than ATS, (b) the installation or de-installation of the Component, whether in compliance with or in conflict with, or in contravention of, its manufacturer's specifications, including recommended maintenance; or (c) any act or omissions of CUSTOMER, its employees, contractors or agents in breach of this Agreement or in violation of applicable laws, rules or regulations.
- 11.5 In the event that ATS repairs or re-services an item under this Warranty, the Warranty provided hereunder shall extend to such repair or re-serviced item for the remainder of the original Warranty Period applicable to the item and no new warranty period shall be established therefore.
- 11.6 Return and Statement. CUSTOMER's remedy and ATS' obligation and liability under the Service and Component Warranty with respect to each defect, are also subject to the following conditions: (a) CUSTOMER returns the Components or any part, accessory or component thereof which is subject to a warranty claim hereunder at its cost, transportation charges prepaid, as soon as reasonably practical to the ATS facility or another mutually acceptable location; and (b) CUSTOMER provides a written statement to ATS describing the nature of the claimed defect.
- 11.7 Warranty Assignment. To the extent assignable, ATS shall assign to CUSTOMER any warranties received by ATS with respect to parts and material transferred to CUSTOMER by ATS or incorporated into the Services. CUSTOMER shall have sole responsibility for processing and pursuing any applicable warranty claims against manufacturers and vendors of any such parts or material.
- 11.8 THE WARRANTY SET FORTH HEREIN AND THE OBLIGATIONS AND LIABILITIES OF ATS HEREUNDER, ARE IN LIEU OF, AND CUSTOMER HEREBY WAIVES AND RELEASES ALL OTHER WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, WITH RESPECT

TO THE SERVICES PROVIDED, EQUIVALENT COMPONENTS AND THIS AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ATS SHALL NOT BE LIABLE FOR AND CUSTOMER HEREBY WAIVES AND RELEASES ANY AND ALL CLAIMS WITH RESPECT TO ANY (A) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT; (B) IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (C) CLAIM IN TORT, WHETHER OR NOT ARISING IN WHOLE OR IN PART FROM ATS' FAULT, NEGLIGENCE, STRICT LIABILITY OR PRODUCT LIABILITY; OR (D) CLAIM FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, CONSEQUENTIAL DAMAGES, COVER OR ANY LOSS OF PROFIT, REVENUE OR USE. ATS' LIABILITY AND CUSTOMER'S SOLE REMEDY WITH RESPECT TO SERVICES PROVIDED HEREUNDER, INCLUDING BREACH OF THE WARRANTY SET FORTH HEREIN, WHETHER IN TORT, CONTRACT OR OTHERWISE, SHALL BE LIMITED TO, AT ATS' OPTION, ATS' REPAIR OR RE-SERVICE OF THE ITEM OR TASK AND IN NO EVENT SHALL ATS' LIABILITY HEREUNDER EXCEED THE COMPENSATION PAID BY CUSTOMER TO ATS FOR THE SPECIFIC SERVICE PERFORMED. IN THE EVENT THAT THIS DISCLAIMER OR ANY PORTION HEREOF SHALL BE HELD TO BE INVALID OR UNENFORCEABLE, THE REMAINING PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

12. AUTHORITY; NON-CONTRAVENTION. CUSTOMER warrants and represents that it has full power and authority to (a) execute and deliver this Agreement and all Appendices hereto and perform its obligations under this Agreement; (b) deliver all Components to ATS; and (c) authorize ATS to perform or procure all services hereunder on any Components delivered to ATS, and to obtain all material as directed by CUSTOMER. CUSTOMER warrants that it has sufficient rights to provide all information and technical data to ATS and permit ATS's use thereof as contemplated by this Agreement without violating any law or breaching any other agreement to which CUSTOMER is a party or is bound or violating any obligation owed by CUSTOMER to any third party. CUSTOMER further represents and warrants that no action by CUSTOMER that is described in the foregoing sentence will violate, conflict with or result in a breach of any court order, injunction or law, or any agreement to which CUSTOMER is a party.

13. LIMITATION OF LIABILITY.

13.1 All risk of loss of or damage to each Component will remain with CUSTOMER at all times, including when any Component is in the possession, care custody or control of ATS unless, when in the possession, care, custody or control of ATS, any loss of or damage to the Component is caused solely by the negligence of ATS.

13.2 THE MAXIMUM LIABILITY OF ATS TO CUSTOMER UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE FEES PAID TO ATS FOR COMPONENT(S) REPAIRED UNDER THIS AGREEMENT DURING THE TWELVE MONTHS PRIOR TO WHEN DAMAGES FIRST AROSE. No action arising out of any claimed breach of this Agreement may be brought more than one (1) year after the events giving rise to the cause of action have

occurred. CUSTOMER acknowledges and agrees that the fees and rates provided to Customer are premised in substantial part on the provisions of Sections 11.8, 14, and 15 relating to disclaimers of warranties, limitations of liability and exclusions of damages and that such disclaimers, limitations and exclusions are severable, unrelated, independent allocations of risk.

14. EXCLUSION OF CONSEQUENTIAL LOSS. NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, COVER OR LOST PROFITS SUSTAINED OR INCURRED AS A RESULT OF THE SERVICES OR THE WARRANTY PROVIDED FOR IN SECTION 12 HEREOF OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND EVEN IF AVAILABLE REMEDIES ARE FOUND TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE.

15. INDEMNITY. CUSTOMER shall defend, indemnify and hold harmless ATS, its include if applicable: affiliates, and their respective officers, directors, employees, agents, successors, assigns and affiliates (and their respective officers, directors, employees and agents) from and against any claims, actions, damages, losses, liabilities, costs and expenses (including attorneys' fees) to the extent arising from a claim of (a) damage to any tangible personal property or fixtures, including any aircraft or injury, sickness or death to any person, including without limitation any CUSTOMER Representative or any subcontractor, employee or agent of CUSTOMER or ATS, occurring as a result of the action or inactions (negligent or otherwise) of CUSTOMER, any CUSTOMER Representative, subcontractor, employee or agent of CUSTOMER, or (b) any infringement, misappropriation or violation of any proprietary right of any third party, including trade secrets, which results from any use by ATS of any technical data or other materials or information furnished to ATS by CUSTOMER, including without limitation information obtained in the process of ATS's compliance with any of CUSTOMER's requirements, specifications or instructions by ATS.

16. PROPRIETARY RIGHTS: CONFIDENTIALITY. Except as otherwise expressly agreed in writing, each of ATS and CUSTOMER shall retain all of their own proprietary rights of any kind in and to their respective patents, trademarks, names, information, documents, procedures, methods or know-how that may be used or disclosed in respect of the Services. ATS will own all intellectual property and proprietary rights that it develops in connection with the performance of the Services. Any such items or information of a confidential or proprietary nature disclosed or made available by one Party to the other pursuant to this Agreement that are marked as confidential or otherwise would be understood by a reasonable person to be confidential ("Confidential Information") shall be held in confidence and shall not be disclosed or provided to any third party except as permitted herein without prior written approval of the disclosing Party, and neither Party shall reproduce any documents reflecting the same except for copies necessary for its own internal usage and the performance of the Services. The receiving Party shall restrict disclosure of the confidential information to its officers, employees, agents, contractors or

its tax, legal or other advisors with a need to know and not disclose it to anyone else without the disclosing Party's prior written consent. The receiving Party will take reasonable measures to avoid disclosure, dissemination or unauthorized use of Confidential Information. The receiving Party may disclose confidential information as required to comply with orders of governmental entities that have jurisdiction over it or as otherwise required by law, provided that the receiving Party gives the disclosing Party reasonable written notice to allow the disclosing Party to seek a protective order or other appropriate remedy (except to the extent the receiving Party's compliance with the foregoing would cause it to violate a court order or other legal requirement). The term "Confidential Information" shall not include any information that (i) is generally publicly available to the public through no fault or action by the receiving Party or by its agents, (ii) is available to the receiving Party on a non-confidential basis from a source other than the disclosing Party or the disclosing party's agents, which is not prohibited in any way from disclosing such items, or (iii) was within the receiving Party's possession prior to its being furnished to the receiving Party by or on behalf of the disclosing Party, provided that the source of such information was not bound to confidentiality, or was not subject to any duty, contractual or otherwise, prohibiting disclosure to the disclosing Party.

17. TERMINATION.

17.1 Either Party may terminate this Agreement, including any Order, for cause upon the other Party's material breach of this Agreement, if the other Party fails to cure such breach within thirty (30) days after receipt of written notice specifying the breach. Notwithstanding, the termination of this Agreement shall not relieve either Party of its obligations hereunder up to and including the date of termination.

17.2 In addition, either Party may terminate this Agreement if: (a) the other Party applied for, or consents to, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (b) upon the other Party ceasing to conduct business, voluntary filing for protection from creditors under bankruptcy, insolvency or other similar laws, becoming or being declared by a federal bankruptcy court to be insolvent or bankrupt, or being the subject of any involuntary proceeding under the federal bankruptcy code or under any other law relating to relief from creditors generally that is not dismissed within sixty (60) days; or (d) the other Party's liquidation, dissolution or winding-up (other than in connection with an assignment permitted under Section 20.4).

17.3 The provisions of Sections 4, 5.5, 9 - 20, and any provisions evidently intended to have continuing effect, shall survive any expiration or early termination of this Agreement.

18. FORCE MAJEURE. Neither Party will be liable for, or be considered to be in breach of or default under this Agreement on account of any delay or failure to perform as required by this Agreement (other than with respect to the obligation to make payments hereunder) as a result of any cause or condition beyond such Party's reasonable control, including, but not

limited to: fire, explosions, earthquakes, storms, flood, wind, drought and acts of God or the elements; court orders; acts, delays and failures to act by civil, military or other governmental authority; strikes, lockouts, labor interruptions or slowdowns, riots, terrorism or acts of terrorism, insurrections, sabotage and war; breakdown or destruction of, or damage or casualty to, any equipment, facilities or other property; interruption, suspension, curtailment or other disruption of utilities; unavailability of materials, supplies, parts, equipment, personnel or other necessary items; and, acts or omissions of persons or entities other than such Party (each such event being herein sometimes referred to as an event of "Force Majeure"). Upon the occurrence of an event or condition of Force Majeure affecting ATS, ATS shall have reasonable opportunity to make alternative satisfactory arrangements to perform its obligations under this Agreement.

19. NOTICES. Any notices in connection with this Agreement shall be in writing and shall be deemed to have been duly given upon receipt if delivered personally, by registered, prepaid mail, or by overnight delivery service to the address given below or such other address as ATS may have notified to the CUSTOMER.

Aviation Technical Services, Inc.
Attention: Steve Rush
3100 112th Street, SW
Everett, WA 98204-3500
Telephone: 425-423-6233
Email: steve.rush@atsmro.com

20. MISCELLANEOUS TERMS.

20.1 Waiver. No waiver of any provision hereof shall be valid or binding unless it is in writing dated subsequent to the date hereof and signed by the Parties hereto. No waiver of any breach, term or condition hereof by either Party shall constitute a subsequent waiver of the same or any other breach, term or condition. No failure or delay of either Party in exercising any right under this Agreement shall operate as a waiver thereof, nor shall any partial exercise by either party of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

20.2 Severability. In the event that any provision of this Agreement should become invalid due to e.g. legislation, only said provision shall be considered invalid while the remaining provisions shall remain in force. If any provision is held invalid or unenforceable with respect to particular circumstances, it nevertheless shall remain in full force and effect in all other circumstances.

20.3 Amendments. Unless otherwise expressly stated in this Agreement, any amendment or addition to this Agreement must be made in writing and signed by authorised representatives of both Parties. The terms and conditions of this Agreement shall not be altered or changed by, and ATS hereby objects to, any different or additional terms

contained in any other document (other than an amendment as provided above), including, without limitation, any invoices, Orders or acknowledgment forms submitted by CUSTOMER to ATS.

20.4 Assignment. Neither Party may transfer or assign its rights or obligations under this Agreement without the written consent of the other Party provided that ATS may assign this Agreement and all Exhibits hereunder to any entity controlling, controlled by or under common control with ATS or in connection with a sale or other transfer of all or substantially all of the business or assets of ATS. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and their permitted assigns.

20.5 Entire Agreement. This Agreement, including Appendices and Orders, constitutes the entire agreement and understanding between the Parties in relation to the subject matter hereof and replaces all previous agreements or understandings, verbal or written related hereto.

20.6 Order of Precedence. In case of conflicts between the provisions of this Agreement and its appendices or attachments, this Agreement shall prevail, unless it is specifically stated in the appendix or attachment that it will overrule the Agreement. ATS takes specific exception to terms and conditions contained in any other document issued by the CUSTOMER including but not limited to: Order(s), acknowledgement(s), change order(s) or correspondence. Unless ATS accepts any CUSTOMER terms and conditions in writing, such terms and conditions shall not form a part of this Agreement.

20.7 Applicable Law, Venue and Costs. The laws of the State of Washington shall govern this Agreement, without reference to any conflict of laws principles. No rule of construction based on which party drafted the agreement or certain of its provisions will be applied against either Party. In the event of any dispute or claim, the Parties agree that any legal actions shall be brought in the federal or state courts located in Snohomish County, State of Washington, and each Party agrees to submit to the jurisdiction of any such court, to venue in such courts and waives any claim of forum non conveniens. In the event of any legal action between the Parties arising out of or relating to this Agreement, the substantially prevailing Party shall be entitled, in addition to other rights and remedies it may have, to recover from the other Party its expenses and costs with respect to such action, including reasonable attorney's fees.

20.8 Independent Contractor. In performing its obligations hereunder, ATS shall in all respects be an independent contractor and shall not be deemed an employee, agent, partner or franchisee of CUSTOMER. No partnership, corporation, or other entity or relationship is created by this Agreement.

20.9 Names, Advertising. Each Party agrees that it will not, without the prior written consent of the other, make any use whatsoever of, or cause others to make or assist

others in making any use whatsoever, of the corporate or trade names or trademarks of the other (or of the subsidiaries and affiliates thereof) or any portion thereof, in connection with any advertising, promotion, publicity or for any other business purpose that is not directly related to the performance of its obligations hereunder.

20.10 Interpretation. The provisions of this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

APPENDIX A
PAYMENT INSTRUCTIONS

Remit to Account Instructions for Aviation Technical Services, Inc.

For your ATS payments, please remit your funds to the following:

For Electronic Fund Transfers:

Aviation Technical Services, Inc.
Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA 94104-1207
Account Number: 4945653608
Wire/ACH ABA Number: 121000248
Swift Address: WFBIUS6S

For Check Deposits send U.S. Mail to:

Aviation Technical Services, Inc.
75 Remittance Drive Suite 3122
Chicago, IL 60675-3122

For Check Deposits send Overnight Delivery Service to:

Lockbox Services 3122
Aviation Technical Services, Inc.
Suite 3122
350 N Orleans St Fl 8
Chicago, IL 60654-1529