



PRISM AERO, LLC

AVIATION TERMS AND CONDITIONS OF SALE AND PURCHASE

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These Aviation Terms and Conditions of Sale and Purchase ("Agreement") govern all transactions in which Prism Aero, LLC ("Prism Aero" or "Company") acts as Seller, Buyer, Broker, or Consignment Manager of aviation parts, components, engines, modules, or related assets (collectively, "Goods"). By issuing or accepting a purchase order, quotation, or invoice, the counterparty agrees to be bound by this Agreement in its entirety. Any conflicting or additional terms in the counterparty's documentation are expressly rejected unless agreed to in a separate written instrument signed by an authorized representative of Prism Aero.

1. DEFINITIONS

"Goods" means any aviation parts, components, engines, modules, assemblies, or related assets sold, purchased, brokered, or managed under this Agreement, including as-removed, serviceable, repairable, overhauled, or new condition material.

"Seller" means the party transferring title to or delivering Goods.

"Buyer" means the party receiving title to or taking delivery of Goods.

"Broker" means Prism Aero when acting solely as an intermediary facilitating a transaction between a third-party seller and third-party buyer without taking title to the Goods.

"Trace Documentation" means all records establishing the airworthiness history, ownership chain, and operational history of Goods from original manufacture to present, including FAA Form 8130-3, EASA Form 1, shop visit records, logbook entries, and operator disk sheets.

"SUP" means Suspect Unapproved Parts as defined under FAA Advisory Circular AC 21-29 (current revision).

"As-Removed" means Goods removed from an aircraft or engine without subsequent testing, repair, or overhaul, sold in the condition found at removal.

"ITAR" means the International Traffic in Arms Regulations, 22 C.F.R. Parts 120–130.

"EAR" means the Export Administration Regulations, 15 C.F.R. Parts 730–774.

2. PAYMENT TERMS

Unless otherwise agreed in writing, all payments shall be made in U.S. Dollars under one of the following terms:

- Wire Transfer in Advance: Payment in full is required prior to shipment unless Prism Aero has extended written credit terms.
- Net 30: Where Prism Aero has approved credit in writing, payment is due within thirty (30) days of the invoice date.

Past-due balances shall accrue interest at the maximum rate permitted under Florida law (Fla. Stat. §55.03) from the due date until paid in full. Buyer shall reimburse Prism Aero for all costs of collection, including reasonable attorneys' fees. Prism Aero reserves the right to withhold shipment or suspend performance pending receipt of payment. All taxes, duties, customs fees, tariffs, and export/import charges applicable to the transaction shall be the sole responsibility of the party obligated under applicable law. In cross-border transactions, Buyer is responsible for all import duties, customs clearance costs, and destination-country taxes unless otherwise agreed in writing.

3. TITLE, RISK OF LOSS, AND AS-IS / WHERE-IS

Unless otherwise agreed in writing, title to and risk of loss of Goods shall pass to Buyer upon delivery to the carrier at Prism Aero's shipping point (EXW / FOB Origin, Incoterms 2020). Buyer bears all risk of loss, damage, or delay in transit from that point forward.

PRE-BUY INSPECTION: Buyer is solely responsible for conducting any pre-purchase inspection, borescope, test cell run, or technical review prior to purchase. Buyer's failure to conduct or waiver of a pre-buy inspection shall be deemed acceptance of the Goods in their then-current condition and shall not give rise to any claim against Prism Aero.

AS-IS / WHERE-IS: UNLESS EXPRESSLY STATED OTHERWISE IN WRITING, ALL GOODS ARE SOLD STRICTLY "AS-IS, WHERE-IS" WITH ALL FAULTS. THIS IS PARTICULARLY APPLICABLE TO AS-REMOVED ENGINES, MODULES, TEARDOWN MATERIAL, AND SURPLUS INVENTORY. PRISM AERO MAKES NO REPRESENTATION OR WARRANTY REGARDING THE CONDITION, AIRWORTHINESS, SERVICEABILITY, REPAIRABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OF SUCH GOODS BEYOND WHAT IS EXPRESSLY STATED IN THE APPLICABLE TRANSACTION DOCUMENTS. BUYER ASSUMES ALL RISK ASSOCIATED WITH THE CONDITION OF THE GOODS FROM THE MOMENT TITLE PASSES.

4. NO RELIANCE ON REPRESENTATIONS

Buyer and Seller each acknowledge that they have not relied upon any oral statement, email, text message, instant message, phone conversation, or informal representation made by any employee, agent, or representative of Prism Aero in entering into any transaction governed by this Agreement. All representations and warranties of Prism Aero are exclusively set forth in written transaction documents (purchase order, invoice, or executed written agreement). No statement made during negotiations, in marketing materials, or in general business discussions shall constitute a warranty unless expressly incorporated into a signed written document. This clause applies to all communications channels including email, WhatsApp, text message, phone, and in-person conversation.

5. BROKER AND INTERMEDIARY TRANSACTIONS

When Prism Aero acts as a Broker or intermediary, the following provisions apply:

- Prism Aero acts solely as an agent or intermediary and does not take title to the Goods unless expressly agreed in writing.
- Prism Aero makes no representations or warranties regarding the condition, airworthiness, documentation completeness, or title of Goods it does not own, beyond those provided by the originating seller.
- Prism Aero's liability as Broker is strictly limited to the commission or fee earned on the transaction.
- Prism Aero shall pass through all available Trace Documentation received from the originating seller. Buyer acknowledges that such documentation originates with the seller and Prism Aero does not independently verify its accuracy beyond reasonable commercial due diligence.
- In no event shall Prism Aero assume principal liability for a transaction in which it acts solely as Broker, regardless of how the transaction is structured in any counterparty documentation.

6. CONSIGNMENT TRANSACTIONS

Where Goods are provided to Prism Aero on a consignment basis, the terms of a separate written Consignment Agreement shall govern. In the absence of a signed Consignment Agreement, this Agreement applies. Title to consigned Goods remains with the consignor until sold. Prism Aero shall exercise reasonable care in the storage, marketing, and handling of consigned Goods but shall not be liable for market fluctuations, failure to sell within a specific timeframe, or damage caused by inherent defects in the Goods. Prism Aero shall remit net proceeds to the consignor within thirty (30) days of receipt of cleared funds, less agreed commissions, fees, or expenses. Consignor warrants full authority to consign the Goods and that the Goods are free of liens and encumbrances. Prism Aero's total liability arising from its handling of consigned Goods, whether in contract, tort, or otherwise, shall not exceed the greater of (i) the commission or fee earned by Prism Aero on the specific consignment, or (ii) direct damages resulting solely from Prism Aero's gross negligence or willful misconduct in the storage or handling of the consigned Goods.

7. WARRANTY AND AIRWORTHINESS REPRESENTATION

When Prism Aero acts as Seller and holds title to the Goods, Prism Aero warrants that:

- It has good and marketable title to the Goods, free and clear of all liens and encumbrances.
- The Goods will be accompanied by the Trace Documentation described in Section 8, to the extent such documentation is in Prism Aero's possession.
- To the best of Prism Aero's knowledge, the Goods are not Suspect Unapproved Parts as defined under FAA AC 21-29.

EXCEPT AS EXPRESSLY SET FORTH ABOVE, PRISM AERO MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AIRWORTHINESS. BUYER IS SOLELY RESPONSIBLE FOR VERIFYING THE AIRWORTHINESS AND SERVICEABILITY OF ALL GOODS PRIOR TO INSTALLATION OR USE. BUYER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF THE ABOVE WARRANTIES SHALL BE RETURN OF THE GOODS FOR A REFUND OF THE PURCHASE PRICE, PROVIDED GOODS ARE RETURNED UNUSED WITH ALL ORIGINAL TAGS AND DOCUMENTATION INTACT WITHIN THIRTY (30) DAYS OF DISCOVERY OF THE BREACH AND WITH PRIOR WRITTEN AUTHORIZATION FROM PRISM AERO.

The thirty (30) day discovery period set forth above applies independently of, and is not shortened by, the ten (10) business day inspection window in Section 11. Where a defect is latent and not reasonably discoverable upon visual inspection or normal receiving procedures, Buyer's warranty remedy under this Section 7 remains available notwithstanding the expiration of the Section 11 inspection period, provided Buyer notifies Prism Aero promptly upon actual discovery and in any event within thirty (30) days of such discovery.

When Prism Aero acts as Buyer, Seller warrants that: (i) Seller has good title free of all liens; (ii) Goods are accompanied by complete Trace Documentation; (iii) Goods comply with applicable FAA and/or EASA regulations; and (iv) Goods are not SUP. Seller's breach entitles Prism Aero to return the Goods at Seller's expense and recover all amounts paid plus costs incurred.

8. TRACE DOCUMENTATION

All Goods delivered to or by Prism Aero for use in a gas turbine engine or airframe application shall be accompanied by complete and accurate Trace Documentation establishing that the Goods are:

- Airworthy and repairable or better (unless sold as scrap or non-flight use, which shall be clearly stated);
- Non-incident related unless disclosed in writing prior to the transaction;
- Traceable to the previous operator, MRO, lessor, or manufacturer with full ownership and operating history;
- Accompanied by applicable FAA Form 8130-3, EASA Form 1, or equivalent release documentation as required by the receiving jurisdiction.

Prism Aero reserves the right to reject Goods not accompanied by complete and verifiable Trace Documentation. When acting as Seller, Prism Aero shall provide all Trace Documentation in its possession at time of sale. When acting as Buyer, Prism Aero may reject and return any noncompliant Goods at Seller's expense.

9. SUSPECT UNAPPROVED PARTS (SUP)

Both parties agree to comply fully with FAA Advisory Circular AC 21-29 (current revision) and all applicable FAA, EASA, ICAO, and industry standards regarding prevention of Suspect Unapproved Parts. Both parties represent and warrant that they will not knowingly sell, purchase, transfer, install, or accept any Good that constitutes or may constitute a SUP. Either party discovering a suspected SUP shall immediately: (i) quarantine the part; (ii) notify the other party in writing; and (iii) where required by law, report to the FAA or appropriate aviation authority. Neither party shall alter, remove, falsify, or obscure any part markings, data plates, certifications, serial numbers, or documentation. Violation of this provision constitutes a material breach and the offending party shall indemnify and hold harmless the other party from all resulting losses, fines, penalties, and legal expenses.

10. EXPORT CONTROLS, ITAR, AND EAR COMPLIANCE

Both parties acknowledge that Goods and related technical data may be subject to ITAR (22 C.F.R. Parts 120–130) and EAR (15 C.F.R. Parts 730–774) and agree to comply fully with all applicable requirements. Each party represents and warrants that:

- It is not listed on, and will immediately notify the other party upon becoming listed on, any U.S. Government restricted or denied party list, including the OFAC SDN List, BIS Denied Persons List, BIS Entity List, BIS Unverified List, or DDTC Debarred Parties List.
- It will not export, re-export, transfer, or disclose any Goods or technical data in violation of applicable export control laws without first obtaining all required licenses or authorizations.
- Prior to any international shipment, it will advise the other party of the applicable ECCN or USML category and provide a copy of any applicable export license.
- It will comply with all destination-country import regulations and maintain export control records for a minimum of five (5) years.

Prism Aero primarily deals in commercial aviation parts generally classified as EAR99. Should any Good be determined to be ITAR-controlled, the parties agree to immediately notify each other and suspend transfer pending receipt of all required

U.S. Government authorizations. The party responsible for misclassifying a Good shall indemnify the other party for all resulting fines, penalties, and legal expenses.

11. INSPECTION AND REJECTION

Upon receipt of Goods, the receiving party shall have ten (10) business days to inspect and provide written notice of any defects, nonconformance, or documentation discrepancies. Failure to provide timely written notice constitutes acceptance. Rejected Goods must be returned in original condition with all tags and documentation intact. No Goods may be returned without a prior written Return Material Authorization (RMA) from Prism Aero. Unless the rejection is due solely to Prism Aero's error, the returning party bears all shipping and handling costs.

12. LIMITATION OF LIABILITY

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE, OR LOSS OF BUSINESS OPPORTUNITY, ARISING OUT OF OR RELATED TO THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION.

Prism Aero's total aggregate liability shall not exceed the purchase price paid for the specific Goods giving rise to the claim. When acting as Broker, total liability shall not exceed the commission or fee earned on the specific transaction. These limitations shall not apply to claims arising from fraud, gross negligence, willful misconduct, SUP violations, or export control violations.

13. INDEMNIFICATION

Each party shall indemnify, defend, and hold harmless the other party and its officers, directors, members, employees, agents, successors, and assigns from and against any third-party claims, losses, liabilities, damages, fines, penalties, costs, and expenses (including reasonable attorneys' fees) arising from: (i) any material breach of this Agreement; (ii) negligence or willful misconduct; (iii) violation of export control laws or SUP regulations; (iv) any title defect in Goods transferred; or (v) any third-party claim arising from use, resale, installation, or operation of the Goods.

14. FORCE MAJEURE

Neither party shall be liable for delays or failures in performance caused by circumstances beyond its reasonable control, including acts of God, natural disasters, pandemics, government actions, sanctions, trade restrictions, transportation disruptions, or supply chain failures. The affected party shall provide prompt written notice and use commercially reasonable efforts to resume performance. If a force majeure event continues for more than sixty (60) days, either party may terminate the affected order upon written notice without liability, except for payment obligations for Goods already delivered. Upon such termination, any deposit or advance payment made for Goods not yet delivered shall be refunded to Buyer within fifteen (15) business days, less any documented, non-recoverable costs actually incurred by Prism Aero in reliance on the order prior to the force majeure event.

15. SECURITY INTEREST AND REPOSSESSION

When Prism Aero acts as Seller, Buyer grants Prism Aero a first-priority purchase money security interest in the Goods and all proceeds thereof until payment is received in full, pursuant to Article 9 of the UCC as adopted in Florida (Fla. Stat. Ch. 679). Prism Aero is authorized to file a UCC-1 financing statement to perfect this interest without further consent. In the event of payment default, Prism Aero has the right to repossess the Goods in accordance with applicable Florida law and to pursue all available legal and equitable remedies.

16. INSOLVENCY AND RECLAMATION

Each party warrants that it is solvent and not presently a debtor in any bankruptcy proceeding. In the event of Buyer's insolvency, Prism Aero's invoice constitutes a written demand for reclamation of the Goods pursuant to UCC §2-702 and 11 U.S.C. §546(c)(1). Buyer waives all defenses to reclamation and shall promptly return the Goods upon demand.

17. CONFIDENTIALITY

Each party agrees to hold in strict confidence all non-public information disclosed by the other party, including pricing, customer information, transaction terms, inventory positions, and business strategies. Neither party shall disclose such information to any third party without prior written consent, except as required by law. This obligation survives termination for three (3) years.

18. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by the laws of the State of Florida without regard to conflict of laws principles. Any dispute arising out of or relating to this Agreement shall be finally resolved by binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, seated in Broward County, Florida, conducted in English, before a single arbitrator. The award shall be enforceable under the Federal Arbitration Act and the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention, 1958). Either party may seek emergency injunctive relief from the courts of Broward County, Florida to prevent irreparable harm pending arbitration. The prevailing party shall recover its reasonable attorneys' fees and costs.

19. ENTIRE AGREEMENT, AMENDMENT, AND SEVERABILITY

This Agreement constitutes the entire agreement between the parties regarding its subject matter and supersedes all prior negotiations and agreements. No amendment shall be effective unless made in writing and signed by an authorized representative of Prism Aero. If any provision is held invalid or unenforceable, it shall be modified to the minimum extent necessary to make it enforceable, and the remaining provisions shall continue in full force and effect. Neither party may assign or delegate this Agreement or any rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party, except that either party may assign this Agreement without consent to a successor entity in connection with a merger, acquisition, or sale of substantially all of its assets, provided the assignee assumes all obligations hereunder in writing. Any assignment in violation of this provision shall be void.

20. NOTICES

All notices shall be in writing and delivered by email with confirmed receipt, overnight courier, or certified mail to:

Prism Aero, LLC • Attn: Eileen Galan, Managing Partner

2900 N University Dr., Suite 75, Coral Springs, FL 33065 • egalan@prism-aero.com

21. GENERAL COMPLIANCE AND RECORD RETENTION

Both parties shall comply with all applicable federal, state, and local laws and regulations, including FAA regulations (14 C.F.R.), EASA regulations, Florida Statutes, the FCPA, and all applicable anti-bribery and anti-corruption laws. Each party shall maintain all transaction records for a minimum of ten (10) years or as otherwise required by applicable law, whichever is longer. Each party represents and warrants that it is not a Government Official (as defined by the FCPA) and has no close family, business, or other relationship or association with a Government Official who may have oversight or influence over the transactions contemplated by this Agreement, other than relationships disclosed to the other party in writing. Each party agrees to notify the other party promptly in writing if this representation ceases to be accurate.

22. INSURANCE

Each party shall, at its own expense, maintain insurance coverage appropriate to its role in the transaction and its handling of Goods, including, at a minimum: (i) Commercial General Liability, including products liability and completed operations coverage, of at least \$2,000,000 per occurrence; (ii) Aviation Products Liability coverage, where the Goods are intended for installation on an aircraft or engine, of at least \$10,000,000 per occurrence and in the aggregate, or such higher amount as the parties may agree in writing for a specific transaction; and (iii) Cargo/Transit insurance covering the full replacement value of Goods while in transit or in the insuring party's care, custody, or control. Each party shall, upon request, provide the other party with a certificate of insurance evidencing the required coverage, and shall name the other party as an additional insured where commercially customary for the transaction. Failure to request or receive a certificate of insurance shall not constitute a waiver of this requirement. Compliance with this Section shall not relieve either party of its other obligations or liabilities under this Agreement.

23. HUMAN RIGHTS AND ANTI-SLAVERY

Each party represents, warrants, and covenants that it does not use and will not use forced, indentured, bonded, or child labor in connection with the Goods or its performance under this Agreement, and that it complies with the labor, human trafficking, and anti-slavery laws of each jurisdiction in which it operates, including, where applicable, the U.S. Trafficking Victims Protection Act and the U.K. Modern Slavery Act. Each party shall promptly notify the other party in writing upon becoming aware of any credible allegation or violation of this Section within its own operations or, to its knowledge, within its supply chain as it relates to the Goods. No employee, agent, or representative of either party shall be subject to physical, sexual, or psychological harassment or abuse in connection with the performance of this Agreement.

24. NUCLEAR USE PROHIBITION

Goods sold or brokered under this Agreement are not intended for, and shall not be used in connection with, any nuclear facility or nuclear activity. Buyer represents, warrants, and covenants that it shall not use, and shall not permit any third party to use, the Goods for any such purpose without Prism Aero's prior express written consent. Buyer shall indemnify and hold harmless Prism Aero from any cost, expense, damage, loss, or liability, however arising, resulting from a breach of this Section.

25. LIMITATION PERIOD FOR CLAIMS

Except for claims arising from fraud, gross negligence, willful misconduct, SUP violations, or export control violations, any action or claim arising out of or related to this Agreement must be commenced within two (2) years after the cause of action accrues, or such action or claim shall be forever barred, notwithstanding any longer statute of limitations that might otherwise apply under applicable law.

LEGAL NOTICE

These Terms and Conditions are provided for general business purposes. Prism Aero recommends that a licensed Florida attorney review this document before commercial use. This document was last updated June 2026.