

P.O. TERMS

GENERAL PURCHASE ORDER TERMS AND CONDITIONS

1. Applicability. These General Purchase Order Terms and Conditions apply to each purchase order issued by AirWay Technologies, Inc. ("**Buyer**"). Each such purchase order is an offer by Buyer for the purchase of the goods and/or services specified on the face of such purchase order (the "**Goods**") from the party to whom the purchase order is addressed ("**Seller**") and is issued in accordance with and subject to these terms and conditions (the "**Terms**", together with the terms and conditions on the face of the purchase order, the "**Order**"). Such Order, together with any documents incorporated therein by reference, constitutes the sole and entire agreement of the parties with respect to the Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller's acceptance of the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with such Order. These Terms apply to any repaired or replacement Goods provided by Seller hereunder. Buyer is not obligated to any minimum purchase or future purchase obligations under such Order. If Buyer and Seller have entered into a Master Purchase Agreement, then such Master Purchase Agreement will control in the event of any conflict between these Terms and such Master Purchase Agreement.

2. Acceptance. Such Order is not binding on Buyer until Seller accepts the Order in writing or by electronic mail. If Seller does not accept the Order in writing or by electronic mail within three (3) business days of Seller's receipt of the Order, then such Order will lapse. Buyer may withdraw the Order at any time before it is accepted by Seller.

3. Delivery Date. Seller shall deliver the Goods in the quantities and on the date(s) specified in such Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). If no Delivery Date is specified, then Seller shall deliver the Goods within ten [10] business days of Seller's receipt of the Order. Timely delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full on the Delivery Date, then Buyer may terminate the Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date.

4. Quantity. If Seller delivers more or less than the quantity of Goods ordered, then Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to the Seller at Seller's risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, then the Price for the Goods shall be adjusted on a pro-rata basis.

5. Delivery Location. All Goods shall be delivered to the address specified in such Order (the "**Delivery Location**") during Buyer's normal business hours or as otherwise instructed by Buyer.

6. Shipping Terms. Delivery shall be made in accordance with the terms on the face of such Order. Seller shall give written notice of shipment to Buyer when the Goods are delivered to a carrier for transportation. Seller shall provide Buyer all shipping documents, including the commercial invoice, packing list, bill of lading and any other documents necessary to release the Goods to Buyer within one (1) business days after Seller delivers the Goods to the transportation carrier. The Order number must appear on all shipping documents, shipping

labels, bills of lading, invoices, correspondence and any other documents pertaining to the Order. All shipments must include all Goods noted on the Order. No partial shipments are permitted unless pre-approved by the Buyer in writing.

7. Title and Risk of Loss. Title passes to Buyer upon the earlier of (a) delivery of the Goods to the Delivery Location and (b) the payment by Buyer of any portion of the purchase price for such Goods. The Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location.

8. Packaging. All goods shall be packed for shipment according to Buyer's instructions or, if there are no instructions, then in a manner sufficient to ensure that the Goods are delivered in undamaged condition.

9. Amendment and Modification. No change to such Order is binding upon Buyer unless it is in writing, specifically states that it amends such Order and is signed by an authorized representative of Buyer.

10. Inspection and Rejection of Nonconforming Goods. Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, then Seller shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, then Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate such Order for cause pursuant to Section 18. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions. Seller also acknowledges that if Goods were sourced from a prior user that (a) there are no known defects in functionality; and (b) they have verified with the prior user that there were no known defects in functionality when the Goods were decommissioned.

11. Price. The price of the Goods is the price stated in the Order (the "**Price**"). If no price is included in the Order, then the Price shall be the price set out in Seller's published price list in force as of the date of the Order. Unless otherwise specified in the Order, the Price includes all packaging, transportation costs to the Delivery Location, insurance, customs duties and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of the Buyer.

12. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller within forty-five (45) days (or such shorter period expressly specified in such Order) after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. All payments hereunder must be in US dollars and made by check or wire transfer to an account designed by Seller in writing.

13. Setoff. Without prejudice to any other right or remedy, it may have, Buyer, reserves the right to set off, at any time, any amount owing to it by Seller against any amount payable by Buyer to Seller pursuant to related or unrelated business transactions.

14. Warranties. Seller warrants to Buyer that for a period of one (1) year from the Delivery Date, all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; (f) be new unless otherwise specified on the Order (and not contain any used or reconditioned components or parts); and (g) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the non-compliance of the Goods with the foregoing warranties. If Buyer gives Seller notice of noncompliance with this Section, then Seller shall, at its own cost and expense, promptly replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer.

15. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and its subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Buyer's customers (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with, the products purchased from Seller or Seller's negligence, willful misconduct or breach of the Terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.

16. Intellectual Property Indemnification. Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of, or in connection with, any claim that Buyer's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property rights of any third party. In no event, shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

17. Compliance with Law. Seller is in compliance with and shall comply with, all applicable laws, regulations and ordinances. The Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order.

18. Termination. Buyer may terminate such Order, in whole or in part, at any time with or without cause for undelivered Goods on five (5) business days prior written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate such Order with immediate effect upon written notice to Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then Buyer may terminate such Order upon written notice to Seller. If Buyer

terminates the Order for any reason, then Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.

19. Limitation of Liability. Nothing in such Order shall exclude or limit: (a) Seller's liability under Sections 14, 15, 16 and 21 hereof; or (b) Seller's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

20. Waiver. No waiver by any party of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

21. **Confidential Information**. All non-public, confidential or proprietary information of Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential", in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to Seller at the time of disclosure; or (c) rightfully obtained by Seller on a non-confidential basis from a third party.

22. Force Majeure. Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which, by its nature, could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strikes, embargoes or industrial disturbances. Seller's economic hardship, manufacturing lead times or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order. If a Force Majeure Event prevents Seller from carrying out its obligations under the Order for a continuous period of more than fifteen (15) business days, then Buyer may terminate such Order immediately by giving written notice to Seller.

23. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve Seller of any of its obligations hereunder. Buyer may, at any time, assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

24. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other forms of joint enterprise, employment or fiduciary relationship

between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from such Order.

25. No Third-Party Beneficiaries. Such Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to, or shall confer upon, any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

26. Governing Law. All matters arising out of, or relating to, such Order shall be governed by and construed in accordance with the internal laws of the State of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the State of Kentucky or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Kentucky.

27. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of, or relating to, such Order shall be instituted in the United States District Court for the Eastern District of Kentucky or the courts of the State of Kentucky sitting in Boone County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

28. Cumulative Remedies. The rights and remedies under such Order are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise.

29. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the face of such Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or electronic mail (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in such Order, a Notice is effective only: (a) upon receipt of the receiving party; and (b) if the party giving the Notice has complied with the requirements of this Section.

30. Severability. If any term or provision of such Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

31. Survival. Provisions of such Order which, by their nature, should apply beyond their terms will remain in force after any termination or expiration of such Order including, but not limited to, the following provisions: Setoff, Warranties, General Indemnification, Intellectual Property, Indemnification, Compliance with Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.