

**AMENDMENT TO  
NORCATEC LLC PURCHASE ORDER NO. 131262 TERMS AND CONDITIONS**

THIS AMENDMENT TO NORCATEC LLC PURCHASE ORDER NO. 131262 TERMS AND CONDITIONS ("Amendment"), dated as of February 15, 2017, is between AAR SUPPLY CHAIN, INC. ("Seller") and NORCATEC LLC ("Buyer").

WHEREAS, Buyer has issued to Seller Purchase Order 131262, dated February 15, 2017, for the purchase of approximately \$2,000,000 of inventory from Seller (the "Purchase Order"); and

WHEREAS, the parties wish to amend and to supplement the Purchase Order as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Terms used herein but not defined shall have their meanings as set forth in the Purchase Order.
2. Sections 3 (Attachments); 6 (Packaging, Packing List and Bill of Lading); 8 (Corrective Action); 12 (Resolution of Conflicts or Inconsistencies Occurring in the Order); 13 (Buyer's Terms and Conditions Apply); 16 (Work Performed on Buyer's or Buyer's Customer's Premises); 17 (Indemnification); 21 (Counterfeit Parts) and 22 (Conflict Minerals) of the Purchase Order are hereby deleted in their entirety and replaced with the following: "[Reserved.]"
3. Section 2 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

"TERMS OF PAYMENT. \$500,000/Net 30 from date of invoice with remaining balance to be paid in five installments of \$250,000 each, payable on August 1, 2017; November 1, 2017; February 1, 2018; May 1, 2018 and August 1, 2018. A final payment of the remaining balance of the Purchase Order purchase price shall be paid on November 1, 2018. Buyer will not invoice Seller for the installment payments or the final payment. No interest will be charged to Buyer except to the extent that any payment is not timely made.

To secure the purchase price of the inventory, prior to the shipment of the inventory, Buyer shall provide to Seller an irrevocable Letter of Credit reasonably acceptable to Seller in the amount of \$1,500,000 (which shall be decreased incrementally as payments are made to Seller) from a bank of national reputation that is reasonably acceptable to Seller."



4. Section 4 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

“ASSIGNMENT. Neither Buyer nor Seller may assign, transfer or subcontract this Purchase Order or any right or obligations hereunder without the other party’s prior written consent.”

5. Section 7 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

“NO RETURNS; INSPECTION. The inventory is not returnable. Buyer may inspect the inventory for quantity deficiencies only, as the inventory is being sold to Buyer in “as-is” condition, as set forth in Section 9. Buyer shall advise Seller of any quantity deficiencies within 30 days of shipment, and Seller shall promptly remedy such deficiency. Quantities of inventory shall be deemed as shipped by Seller if Buyer fails to advise Seller of any such deficiencies within 30 days of shipment.”

6. Section 9 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

“WARRANTIES. Seller is selling the inventory to Buyer in “as-is” conditions with no warranties whatsoever, other than that Seller has good title to the inventory that will transfer to Buyer at the time the goods are shipped to Buyer.

THE WARRANTY SET FORTH IN THE PREVIOUS PARAGRAPHS OF THIS SECTION 9 IS EXCLUSIVE AND IS IN LIEU OF ANY OTHER WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF EITHER MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CUSTOMER’S REMEDY FOR BREACH OF THIS WARRANTY SHALL BE LIMITED TO REPAIR OR REPLACEMENT OF THE DEFECTIVE INVENTORY.”

7. Section 10 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

“DELIVERY; TITLE; RISK OF LOSS. Seller shall deliver the inventory ExWorks (Seller’s warehouse) (Incoterms 2010). Title and risk of loss shall transfer to Buyer at delivery. Buyer shall invoice Seller for the cost of transportation for the purchase order included in this Amendment. Seller shall pay the transportation invoice in 30 days”.

8. Section 11 of the Purchase Order is hereby deleted in its entirety and replaced with the following:



“CONFIDENTIALITY; LIMITED USE. For a period of five years from the date of this Purchase Order, unless otherwise agreed by the other party in writing, each party shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by the other party in connection with this Purchase Order. Notwithstanding anything herein to the contrary, if the receiving party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, Civil Investigation Demand or similar process) to disclose the information, material, documents and data provided by the other party, it is agreed that the receiving party will provide the other party with prompt notice of such request or requirement (if legally permissible) so that other party may seek an appropriate protective order and/or waive the receiving party’s compliance with this provision. It is further agreed that, in the absence of a protective order or the receipt of a waiver hereunder, if the receiving party or any of its representatives is nonetheless, in the opinion of the receiving party’s counsel, compelled to disclose such information, material, documents or data, to any tribunal, the receiving party or such representative may disclose such document or information to such tribunal without liability hereunder provided the receiving party has given the other party prompt notice of such request or requirement as set forth in this paragraph.”

9. The second sentence of Section 14 (Extra Charges) is hereby deleted.

10. Section 18 of the Purchase Order is hereby deleted in its entirety and replaced with the following:

“CUMULATIVE REMEDIES; WAIVERS; SURVIVAL OF WARRANTIES. The remedies herein reserved to each party shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver by a party of any term or condition of this Purchase Order shall be construed as permanent waiver of such term or condition or of any other term or condition. Seller’s warranties shall survive the completion or cancellation of this Purchase Order.”


11. Except as expressly amended above, all other terms and conditions of the Purchase Order Terms and Conditions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to Purchase Order Terms and Conditions to be duly executed as of the day and year set forth above.

**AAR SUPPLY CHAIN, INC.**

**NORCATEC LLC**

By: \_\_\_\_\_  
Name: Eric Young  
Title: Vice President

By:   
Name: SAMUEL GORMAN  
Title: PRESIDENT