

EFFECTUS AEROPRODUCTS INC. PURCHASE ORDER

Customer's Name: _____ Date: _____

Address: _____

Telephone: _____

Email address: _____

Effectus AeroProducts Inc. (**Effectus**) is offering to produce and sell a hardware kit for the Q-200 aircraft, comprised of the list of parts set out on **Schedule "A"** to this Purchase Order (each kit hereinafter referred to as a "**Product**") on the terms and conditions set out herein. The closing date for this offer is **February 26, 2010 at 5:00pm ("Closing Date")**. Orders received after the Closing Date may not be accepted by Effectus.

The parts produced have been made from CAD drawings produced from original plans supplied by Mr. Dan Yager. All parts will be produced from aircraft grade materials and processes. All welding will be performed by certified welders. The parts will be produced to meet the specifications and tolerances as supplied in the CAD drawings received from Mr. Dan Yager. Adjustments may be required to adapt the Product to your particular project.

In order for Effectus to produce and sell this Product, a minimum of 10 orders for this Product must have been received by the Closing Date. Those members of the Q-200 builder community interested in purchasing a Product will be required to complete this Purchase Order and submit an initial deposit of US\$725.00. This deposit represents 50% of the purchase price of the lowest volume option for a Product. This deposit will be held in an escrow account until the balance of payment is received. Should Purchase Orders not be received for a minimum of 10 Products prior to the Closing Date, all deposits will be returned in full to the Customer within 10 business days of the Closing Date.

The final purchase price for the Product will depend upon the number of deposits received by the Closing Date, as set out below. Customers having deposits on account as of the Closing Date will be contacted at their e-mail address set out on their Purchase Order with the amount of volume discount, if any. At that time the Customer will be informed of the balance owing including shipping costs but **excluding** duties, brokerage fees and taxes. The Customer will be required to forward the balance owing to Effectus prior to shipping.

Product Price List

	<u>Price (per kit)</u>
Q-200 Metal Hardware Kit (10-19 kits ordered by closing date)	US\$1,495.00 each
Q-200 Metal Hardware Kit (20-29 kits ordered by closing date)	US\$1,295.00 each
Q-200 Metal Hardware Kit (30-39 kits ordered by closing date)	US\$1,095.00 each
Q-200 Metal Hardware Kit (50+ kits ordered by closing date)	US\$1,060.00 each

Production of Products will commence after the Closing Date and will be shipped to the Customer's address listed above when the balance of payment is received.

The Customer is required to read and complete and sign this Purchase Order, including all terms set out on Schedule "B", and send it along with a certified check or money order before the Closing Date to:

**Effectus AeroProducts Inc.
59 Neely Court, RR18,
London, Ontario Canada N6M 1H6**

An acknowledgement of receipt of Purchase Order will be sent promptly by email following its receipt by Effectus. A signed copy of the accepted Purchase Order will be scanned and sent, in

Adobe .pdf format, via e-mail to the Customer upon receipt and successful transfer of deposit funds into the escrow account and determination of the final purchase price following the Closing Date.

THE UNDERSIGNED CUSTOMER AGREES THAT IT HAS READ AND UNDERSTANDS THE TERMS, CONDITIONS, WARRANTY AND LIMITATIONS OF LIABILITY SET OUT IN THIS PURCHASE ORDER AND ON THE SCHEDULE "B" ANNEXED HERETO AND THAT THE SAME ARE INCLUDED IN AND ARE A PART OF THIS PURCHASE ORDER, ALL AS IF SET FORTH ON THE FACE HEREOF.

Customer shall not have any right to assign this Agreement. If Customer purports to do so, Effectus has the option to terminate this Agreement without further notice. Notwithstanding the foregoing, this Agreement shall bind and inure to the benefits of the parties hereto and their respective executors, administrators, heirs and assigns.

Customer hereby acknowledges receipt of a copy of this Purchase Order and that it has read and understands the terms, conditions and limitations of liability as set forth herein.

I HAVE READ THE WAIVER AND RELEASE (SCHEDULE "B"). I REALIZE I AM NOT REQUIRED TO SIGN THE AGREEMENT. I FREELY CHOOSE TO DO SO.

Customer Signature: _____

Effectus Acceptance: _____

Sales Tax Affidavit

Customer assumes any tax liabilities resulting from this transaction other than those satisfied with this order.

PRODUCTS DELIVERED AND ACCEPTED

By accepting delivery, Customer acknowledges that the Product has been delivered in good condition unless Customer notifies Effectus to the contrary within five (5) days of delivery. If Customer rejects or does not accept the Products for any reason, Effectus shall return the Customer's purchase price, less shipping and handling.

Accordingly, please check your shipment carefully upon receipt to confirm that everything listed on your packing list is received. We will have checked your order and have tried to make sure it is exactly correct. Should anything be wrong or missing, please notify us within five (5) days or you shall be deemed to have accepted the Products as delivered.

Schedule "A"

HARDWARE KIT PARTS LIST

Part Number	Description	Quantity	Material
Q2CSA-11	Aileron Counterweight Arm	2	4130 Steel
Q2CSA4	Aileron Control Horn	2	4130 Steel
QCS3 SPACER	Control Stick Spacer	1	2024-T3 Aluminum
Control Stick Pivot Bushing	Control Stick Pivot Bushing	1	4130 Steel
QCSA1 Control Stick	Control Stick	1	4130 Steel
QCSA2 Control Horn	Control Stick Control Horn	1	4130 Steel
Q2CSA-11	Aileron Bellcrank	1	4130 Steel
Q2CSA8	Elevator Control Horns	2	4130 Steel
QCSM Spacer Material	Rudder, Aileron, & Elevator Spacers	10"	2024-T3 Aluminum
QCSM2	Elevator Midspan Pivot	2	2024-T3 Aluminum
QCSM3	Elevator Midspan Pivot Pin	2	Hardened Steel
QCSM7	Elevator & Aileron Outboard Pivots	4	2024-T3 Aluminum
QCSM5	Elevator & Aileron Outboard Pivot Pins	2	Hardened Steel
QCSM4	Elevator Midspan Pivot Bushing	2	Brass
QCSM6	Elevator & Aileron Outboard Pivot Bushing	2	Brass
Q2CSA10	Rudder Bellcrank	1	4130 Steel
Rudder Pedals	Rudder Pedals	2	4130 Steel
CS-11	Aileron Control Tube	1	2024-T3 Aluminum
C-1	Canopy Latch	1	2024-T3 Aluminum
C-2	Canopy Catch	1	2024-T3 Aluminum
CS17	Elevator Midspan Pivot Arm	2	2024-T3 Aluminum

Schedule "B"

WAIVER AND RELEASE

PRODUCTS TERMS, CONDITIONS AND WARRANTIES

IMPORTANT NOTICE: READ CAREFULLY BEFORE SIGNING. YOU WILL BE GIVING UP IMPORTANT LEGAL RIGHTS OR CLAIMS BY SIGNING THE PURCHASE ORDER IF INJURY AND/OR DEATH OR DAMAGE OCCURS IN CONNECTION WITH THE USE OF PRODUCTS PURCHASED HEREUNDER.

This Purchase Order when accepted by Effectus Aeroproducts Inc. ("**Effectus**") becomes a binding contract of purchase and sale for the products shown on the face hereof ("**Products**"), upon terms, conditions and warranties thereon and hereinafter set forth:

1. Prices. Prices of the Products shall be the prices stated on the face hereof, except that if Effectus should increase or decrease its published prices for the Products prior to delivery, such new prices shall be substituted for those stated on the face hereof if a Purchase Order is received by Effectus more than thirty days after publication of such new prices.
2. Delivery. Customer agrees that if Customer fails to pay the Balance Owing after notification of the delivery date and final purchase price, the deposit made with this order shall be retained by Effectus, not as forfeiture but as consideration for Effectus entering into this Purchase Order and a reasonable estimation of liquidated damages.
3. Interest. Unless otherwise agreed in writing by Effectus, payment terms are to be made in accordance with the Purchase Order. Interest at the rate of 2% per month (24% per annum compounded) shall be payable on all unpaid amounts, from their due date until paid. Customer further agrees to pay to Effectus a "returned check" or non-sufficient funds (NSF) charge to reimburse Effectus for its time and expense incurred with respect to any check or pre-authorized debit that is returned for any reason. Such charge shall be the greater of US\$25.00 and the actual bank charges to Effectus, plus any other amounts allowed by law, including a 15% administration charge for processing by Effectus.
4. Acknowledgement. The parts purchased from Effectus in accordance with this purchase order ("**Agreement**") are Products with limited experimental testing for longevity and reliability. These Products are being produced for educational and experimental use only. No long term life testing has been performed on these experimental products and none of the Products are certified or approved by the Federal Aviation Administration ("**FAA**") or Effectus for use in aircraft.
5. Insurance. Effectus is a small company and product liability insurance is not readily available on a cost-efficient basis. This Agreement is required in order to permit Effectus to continue to offer Products at a reasonable cost. It is the sole and final responsibility of the purchaser of Products, and his or her estate, personal representatives, heirs, assigns and transferees, (collectively, the "**Customer**") to evaluate and test these Products for their suitability and safety for any given application.
6. Damage Claims. Effectus has no control on the, maintenance or operation of the Products. Any defective parts shall be immediately communicated to Effectus within five days following delivery, Effectus shall either repair or replace such defective part at Effectus' cost and shall not be liable to Customer, or to anyone claiming under Customer, for any other obligations or liabilities, including but not limited to obligations or liabilities arising out of breach of contract or warranty, negligence or other tort or any theory of strict liability, with respect to the Products or any acts or omissions by Effectus. IN NO EVENT SHALL EFFECTUS BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES. THE AGGREGATE LIABILITY OF EFFECTUS WITH RESPECT TO ANY DEFECTIVE PRODUCTS SHALL BE LIMITED TO THE MONIES PAID BY CUSTOMER TO EFFECTUS FOR SUCH PRODUCTS.
7. Claims. All claims must be brought within one (1) year of the date of shipment of Products, regardless of their nature.
8. Warning. Flying is inherently dangerous and can result in serious injury or death. Any person who pilots or rides in an experimental or amateur-built aircraft does so at his or her own risk. No governmental standard exists for the design, development and testing of these aircrafts or for parts installed in such aircrafts.
9. Risk of Loss. Risk of loss or damage to the Products will be borne by the Customer following delivery thereof to Canada Parcel Post in London, Ontario, Canada or at the delivery point specified on the face hereof. Cost of insured transportation from London, Ontario, Canada will be for Customer's account unless otherwise indicated in writing on the face of this Purchase Order. Effectus reserves the right to select the means of shipment and carrier, if any, unless specific shipping instructions are received from Customer.
10. Acknowledgement of Risks. By the Customer's execution of this Agreement, the Customer acknowledges that the Customer is aware of and understands the risks of incorporating the Products into the Customer's experimental aircraft, and voluntarily assumes such risks. The signature of the Customer on the Purchase Order waives and releases any claims (except for any exceptions specifically stated herein) against Effectus, its employees, members, agents and subcontractors, which the Customer may have or acquire, arising from the installation, maintenance, or operation of any part or component which is the subject of this Agreement (including liability arising from failure to warn of possible dangerous conditions); and the Customer agrees to indemnify Effectus from any such claims by a third party. This assumption, release, and indemnity clause is a material factor in determining the price at which parts and

components are sold to the Customer, and the purchase price would be substantially higher without this clause.

11. Operation of Products. Customer will use and operate Products at its own risk. Customer agrees to indemnify and save Effectus harmless from any claims or damages of any kind or nature whatsoever, including death, as to all persons, whether Customer's employees, agents, family, or otherwise, and as to all property, howsoever caused, arising out of the use or installation of the Products, whether based upon Effectus' alleged active use or misuse, or passive negligence, or based upon principles of product liability, or based upon any alleged breach of any statutory/contractual or common law duty or obligation Effectus may have or otherwise, Customer shall indemnify and save harmless Effectus, its agents, servants and employees, from and against any and all loss, expense, damage or injury that Effectus may sustain as a result of any such claim. This indemnification will survive termination of this Agreement.
12. Release. In consideration of selling the Products to Customer, Customer freely and voluntarily releases, discharges and covenants not to sue Effectus and Mr. Dan Yager, and their respective agents, employees directors, officers or shareholders, from any and all claims which the Customer, or anyone else claiming through the Customer, might have for property damage and for personal injuries or death suffered as a result of the purchase of Products from Effectus and/or during the Customer's attempt to build, ride, fly, or otherwise operate or sell any aircraft made incorporating the Products.
13. Waiver. The Customer understands and agrees that because of the experimental nature of the Products purchased from Effectus that no expressed or implied warranties accompany such Products. By signing this release and waiver, the Customer agrees to assume all the risks associated with the use of such Products and under no circumstances will Effectus or Dan Yager be liable for damages or claims for expenses involved in using the Products or for any indirect or consequential damages or loss of profits.
14. Limited Warranty. The Products purchased herein are covered by only the warranties listed herein and no other: Any manufacturer warranty in existence for the Products shall accompany the delivery of Products. NO OTHER WARRANTY, WHETHER OF MERCHANTABILITY, FITNESS OR OTHERWISE, EXPRESS OR IMPLIED IN FACT OR BY LAW, IS GIVEN WITH RESPECT TO SUCH PRODUCTS, AND NO OTHER OR FURTHER OBLIGATION OR LIABILITY SHALL BE INCURRED BY EFFECTUS BY REASON OF THE MANUFACTURE AND/OR SALE OF THE PRODUCTS OR THEIR USE WHETHER FOR BREACH OF ANY WARRANTY, NEGLIGENCE OF MANUFACTURE, OR OTHERWISE.
15. Complete Bar. CUSTOMER HAS PURCHASED THE PRODUCTS AND EFFECTUS HAS SOLD THE PRODUCTS UNDER THE EXPRESS UNDERSTANDING AND AGREEMENT THAT THEY ARE SOLD AS IS, WITHOUT ANY OTHER WARRANTIES WHATSOEVER OTHER THAN SPECIFIED HEREIN. If any person shall make a claim for injury or damage, including death, against Effectus or Dan Yager, including their respective directors, officers, agents, servants, shareholders, or employees, whether based upon their alleged active or passive negligence or for any other reason, each of Effectus and Dan Yager (and their respective shareholders, directors, officers, agents, servants, and employees), may use this Agreement as a complete bar against any such claim.
16. Further Required Acts. Customer will provide all necessary further assurances, do all acts and sign all documents as Effectus may reasonably require from time to time to give effect to this Agreement and to protect Effectus' rights hereunder.
17. Complete Agreement. It is further agreed that this Purchase Order, when accepted by Effectus, is the only contract controlling the sale and purchase of the Products; and that it, together with all schedules, contain all agreements, expressed or implied, either verbal or in writing. Customer acknowledges receipt of a copy of the same. This Agreement is the entire agreement between Effectus and Customer and may be varied only by written document signed by the parties.
18. Language. Effectus and Customer wish that this Agreement and all related documents be drawn up and signed in English. Les Parties aux présentes confirment et déclarent qu'elles ont demandé que cette Convention et les avis qui s'y rattachent soient rédigés en langue anglaise.
19. Partial Validation and Interpretation. If a provision of this Agreement is void or unenforceable in any jurisdiction, it shall be severed for that jurisdiction only without invalidating the remaining provisions. The captions, titles and section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of this Agreement or its effect.
20. Joint and Severable Liability. If more than one person, firm or corporation signs this Agreement, each is jointly and separately liable (or in other words, Effectus may, at its option, require performance or payment of all obligations under this Agreement from any one of them or a portion of each) but Effectus shall be released from any of its obligations by performing that obligation to or for any one of them.
21. Governing Laws. This Agreement will be governed by and construed in accordance with the internal laws of the Province of Ontario and the laws of Canada applicable therein without regard to conflict of laws rules. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Each of the parties agrees to attorn to the exclusive jurisdiction of the Courts of Ontario.
22. Time of the Essence. Time is of the essence of this Agreement.
23. Cumulative Rights. All of Effectus' rights are cumulative and not alterative and may be exercised by Effectus separately or together in any order or combination.