

SHERWOOD SETTLEMENT AGREEMENT

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This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Coast Guard (collectively the "United States") and Sherwood Avionics and Accessories, Inc. (hereafter referred to as "Sherwood"), through their authorized representatives.

RECITALS

A. Sherwood is a customer-focused aviation solutions provider with its principal headquarters located in Opa-Locka, Florida. Sherwood's primary business practices are in-house aviation maintenance, repair, and overhaul. Sherwood's secondary business practices are aviation component manufacturing and distribution.

B. In September of 2016, the United States Coast Guard (USCG) entered into a contract with Sherwood to perform repair and overhaul of various C-130 aircraft landing gear in accordance with multiple higher-level contract quality requirements under the following contract: HSCG38-16-D-H00002 (hereafter referred to as "the Contract").

C. From September 2017 until September 2021 (the "Relevant Time Period"), Sherwood performed overhaul and maintenance of various USCG aviation components.

D. The United States contends that it has certain civil claims against Sherwood arising from the work performed during the Relevant Time Period due to Sherwood not possessing the required updated revisions to certain U.S. Air Force

Technical Orders (AFTO) in accordance with the Contract, including: AFTO 4SA6-7-3 and AFTO 9H2-2-80-3. That conduct is referred to below as the Covered Conduct.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Sherwood shall pay to the United States \$109,618 (Settlement Amount) and interest on the Settlement Amount at a rate of 3.89% per annum from January 9, 2025, of which \$54,809 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the Southern District of Florida no later than 7 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Sherwood from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Sherwood waives and shall not assert any defenses Sherwood may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Sherwood fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Sherwood has asserted,

could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Sherwood, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Sherwood's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Sherwood makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Sherwood, and Sherwood shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Sherwood shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Sherwood or any of its subsidiaries or affiliates from the United States. Sherwood agrees that the United States, at a minimum, shall be entitled to recoup from Sherwood any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Sherwood's books and records and to disagree with any calculations submitted by Sherwood or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Sherwood, or the effect of any such Unallowable Costs on the amount of such payments.

7. Sherwood agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Sherwood shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Sherwood further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

8. This Agreement is intended to be for the benefit of the Parties only.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

10. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Southern District of Florida. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

13. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

14. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

15. This Agreement is binding on Sherwood's successors, transferees, heirs, and assigns.

16. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 01/09/2026 BY: _____

John Ghannam
Assistant United States Attorney
United States Attorney's Office
Southern District of Florida

SHERWOOD AVIONICS AND ACCESSORIES, INC. - DEFENDANT

DATED: 1/9/2026 BY: _____


Bryan Farrell
Chief Executive Officer
Sherwood Avionics and Accessories, Inc.

DATED: 1/9/2026 BY: Leila George-Wheeler

Leila George-Wheeler
Barbara Martinez
Holland & Knight LLP
Counsel for Sherwood Avionics and Accessories, Inc.