



Avionic Instruments LLC.

FAA REPAIR STATION NO.V5AR787J Aerospace for Industry™

AVIONIC INSTRUMENTS LLC STANDARD TERMS AND CONDITIONS

1.0 GENERAL

All Products supplied to Buyer by Avionic Instruments LLC (Seller) are considered standard, commercial, off-the-shelf items and are subject to the Terms and Conditions contained herein, unless otherwise agreed to in writing. Any non-standard or modified Products as agreed to by Seller are equally subject to these Terms and Conditions, unless otherwise agreed to in writing. Any other Terms and Conditions noted by Seller in quotations, proposals, or offers are in addition to those contained herein. All Products are delivered in accordance with Seller's specification and quality management system requirements.

2.0 ACCEPTANCE OF ORDERS

THE ACCEPTANCE OF ALL ORDERS AND ALL SALES BY SELLER ARE MADE SUBJECT TO AND EXPRESSLY CONDITIONAL UPON THESE TERMS AND CONDITIONS. ANY OF BUYER'S TERMS AND CONDITIONS WHICH ARE DIFFERENT FROM OR IN ADDITION TO THOSE CONTAINED HEREIN ARE HEREBY OBJECTED TO AND SHALL BE OF NO EFFECT UNLESS SPECIFICALLY AGREED TO IN WRITING. Orders are deemed accepted upon receipt of Seller's formal purchase order acknowledgement.

3.0 QUOTATIONS

Each quotation is valid for 30 days from its date unless otherwise stated in the quotation.

4.0 MINIMUM ORDER

Seller will not accept an order of less than \$900 in value exclusive of transportation charges as indicated under "TITLE AND DELIVERY". The minimum billing will be \$250 for each line item ordered.

5.0 PAYMENT

Unless Seller has extended credit to Buyer, Buyer shall pay in advance of shipment. Should Seller elect to extend credit to Buyer, payment shall be made in full within 30 days of the date of the invoice. Unpaid balances over 30 days will be subject to a finance charge of 1.5% per month or portion thereof. Seller reserves the right at any time to change the amount of or to withdraw any credit extended to Buyer. Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly. Buyer shall be liable for all collection costs (including attorney's fees) incurred by Seller in connection with past due payments.

6.0 TITLE AND DELIVERY

Seller shall deliver Products to Buyer F.O.B. Seller's facility. Partial deliveries shall be permitted. All shipping charges and expenses shall be paid by Buyer.

7.0 FORCE MAJEURE

Seller shall not be liable for delay or failure to deliver or perform due to any cause beyond its reasonable control, or for acts of God, acts of Buyer, acts of any government authority, strikes or other labor disturbances, delays in transportation, fuel or energy shortages, or inability to obtain necessary materials, components, services, or facilities from usual sources.

8.0 CANCELLATION CHARGES

- a) Should Buyer cancel an order (or portion thereof) for standard Products, Buyer shall pay Seller cancellation charges within 15 days from the date of invoice of same as follows:
- 20% of the price of Products cancelled at any point after a formal written purchase order is received, but prior to 5 days following order receipt.
 - 55% of the price of Products cancelled on or after 5 days following order receipt but within 4 weeks of order receipt.
 - 90% of the price of Products cancelled after 4 weeks following order receipt but within 8 weeks of order receipt.
 - 100% of the price of Products cancelled after 8 weeks of order receipt.
- b) Should Buyer cancel an order (or any portion thereof) for other than standard Products, Buyer shall pay Seller cancellation charges within 15 days from the date of invoice of same in an amount equivalent to 100% of the price of such cancelled non-standard Products (regardless of when the cancellation occurs).

9.0 HELD ORDERS

Any orders held, delayed, or rescheduled at the request of the Buyer will be subject to the prices and conditions of sale in effect at the time of release of the hold or reschedule, plus any additional costs incurred due to the hold or reschedule. Any such order held, delayed, or rescheduled beyond a reasonable period of time as determined in Seller's sole discretion will be treated as a Buyer termination.

10.0 PACKAGING

Prices include Products having standard commercial packing only. Where special packing is required, contact Seller for additional costs.

11.0 U.S.EXPORT LAWS

Seller's obligations are subject to the export administration and control laws and regulations of the U.S. Government. The Buyer shall comply fully with such laws and regulations in the export, resale or other disposition of Products.

12.0 PRODUCT NOTICES

Buyer shall provide the user (including its employees) of the Product with all Seller supplied product notices, warnings, instructions, recommendations and similar materials.

13.0 U.S. GOVERNMENT CONTRACTS

If the Products are to be used in the performance of a U.S. Government contract or subcontract, no Government requirements or regulations shall be binding upon Seller unless specifically agreed to in writing.

14.0 STANDARD WARRANTY

- a) Sellers warrants all Products to be furnished under this contract shall be free from defects due to faulty workmanship or material for the period of twelve (12) months from date of shipment to Buyer.
- b) Seller neither expressly nor impliedly warrants against defects in design, workmanship and material of parts or materials supplied by others and utilized by Seller in such Products. Seller shall give to Buyer (insofar as it is assignable) the benefits of any express written warranties given to Seller by such manufacturer or other vendors. Seller shall have no obligation to process any warranty claim against such manufacturer and supplies for the benefit of Buyer.
- c) Seller neither expressly nor impliedly warrants nor makes any representation whatsoever, as to service life of Products.
- d) This warranty shall apply only on the condition that:
 - (1) Buyer delivers written notice of its claim under this clause to Seller within such warranty period, but not later than fifteen (15) days after discovery of the defect which is the basis for its claim;
 - (2) Buyer delivers such Products to Seller at its plant, F.O.B. Avenel, NJ, U.S.A. within thirty (30) days after such written notice;
 - (3) Seller determines (in its sole discretion) that such Products are defective and have not been subject to accident, abuse or misuse, and have been operated and maintained in accordance with the manufacturer's recommendations and specifications;
 - (4) The Products have not been the subject of a replication (i.e., reverse engineering) program, either formal or informal.
- e) The obligations and liabilities of Seller under this Warranty are expressly limited to the replacement or repair by Seller of such Products, and shall not include the removal or reinstallation costs incident to such correction or replacement.
- f) Buyer may effect warranty repairs of the Products at its facility only with Seller's prior written approval. Seller will reimburse Buyer for such repair at labor rates to be mutually agreed upon, but not exceeding Seller's own rates.

- g) Buyer is responsible for all inbound and outbound transportation costs, fees, duties, and any other costs associated with the return of Products.
- h) Repaired Products will have a warranty period equal to the balance of the original warranty or three (3) months from reshipment of the repaired goods to Buyer, whichever is greater.
- i) THE WARRANTIES, OBLIGATIONS AND LIABILITIES, EXPRESS OR IMPLIED, AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF BUYER SET FORTH IN THESE TERMS AND CONDITIONS ARE EXCLUSIVE AND IN SUBSTITUTION FOR, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN THE PRODUCTS OR SERVICES PROVIDED UNDER THIS ORDER, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS; ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM THE NEGLIGENCE OF SELLER OR ANY MANUFACTURER OF AIRCRAFT INCORPORATING THE PRODUCTS; AND ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OR DAMAGE TO ANY AIRCRAFT.
- j) NEITHER SELLER NOR ANY MANUFACTURER OF AIRCRAFT WILL HAVE ANY OBLIGATION OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, FOR LOSS OF USE, REVENUE OR PROFIT OR FOR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN THE PRODUCTS OR SERVICES PROVIDED UNDER THIS ORDER.

15.0 EXTENT OF SELLER'S LIABILITY

The aggregate total liability of any damages under this Order shall in no event exceed its contract price of the Product giving rise to the claim (or claims) of liability, whether resulting from delays in delivery or performance, breach of warranty, claims of negligent manufacturing, patent or copyright infringement, or otherwise. Buyer agrees to indemnify and hold harmless Seller from all claims by third parties which extend beyond the foregoing limitations of Seller's liability.

16.0 CHANGES

Seller may revise these Terms and Conditions at any time and without any prior notice to Buyer, and such revised versions will be posted at <http://www.avionicinstruments.com>. It is Buyer's sole responsibility to access the Terms and Conditions periodically to verify the revision status.

17.0 IP OWNERSHIP

All intellectual property used in connection with the Products or the manufacture thereof is and will remain the property of Seller, whether or not such intellectual property was

developed during the course of the order or other work for Buyer and whether or not Buyer provided any funding for the development of such intellectual property.

18.0 AFFIRMATIVE ACTION COMPLIANCE

The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41, C.F.R. § 60-300.5(a)ii and 41 C.F.R. § 60-741.5(a), if applicable.

This Seller and Buyer shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

This Seller and Buyer shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

19.0 MISCELLANEOUS

- a) The invalidity, in whole or in part, of any provision herein shall not affect the validity of any other provision herein.
- b) Any representation, warranty, course of dealing or trade usage not contained or referenced herein shall not be binding on Seller.
- c) No modification, amendment, rescission, waiver or other change in these terms and conditions shall be binding on Seller unless assented to in writing by its authorized representative.