

AERO INSTRUMENTS & AVIONICS, INC.

FAA REPAIR STATION NUMBER: NC1R343K

EASA APPROVAL CERTIFICATE NUMBER: EASA.145.4037

INSTRUMENT CLASS 1 - 2 - 3 & 4 • RADIO CLASS 1 - 2 & 3 • ACCESSORY CLASS 2 & 3

3332 Walden Avenue, Suite 100 Depew, NY 14043 United States



GENERAL TERMS AND CONDITIONS OF SALE

1. General: These General Terms and Conditions of Sale (the "Terms") shall apply to all quotations, proposals ("Proposal") and sales made by Aero Instruments & Avionics, Inc. ("Aero") for the performance of services and/or sale of goods to the customer ("Customer") in relation to aircraft maintenance support.

2. Order: Any order placed by the Customer with Aero or the acceptance of, or the payment for any product or service shall be deemed as Customer's unconditional acceptance of these Terms. Notwithstanding the foregoing, (i) should the Terms conflict with the conditions contained in a specific agreement entered into between Aero and Customer, the conditions of such specific agreement shall govern, and (ii) the specific conditions of the Order (as defined herein) having a technical, commercial or administrative purpose prevail over the Terms. The Terms shall prevail over any general purchase conditions related to or contained in a purchase order or other document submitted by Customer, notwithstanding any provisions contained therein. Any Proposal issued by Aero constitutes a firm and valid offer for the duration specified in such Proposal, or (if not specified) for duration of thirty (30) calendar days from the date of the Proposal issuance. Any supply of products and/or performance of service shall be subject to due ordering by Customer in writing and acceptance or confirmation of the Order by Aero. An order issued by Customer is only binding (i) upon acceptance or confirmation by Aero of the order, or (ii) if Aero starts performing the services or delivering the goods (the "Order").

3. Cancellation: An Order placed by Customer and confirmed by Aero cannot be cancelled by Customer without Aero's written consent. Customer is fully liable and shall indemnify Aero for any applicable cancellation charges, including but not limited to, restocking fee, not to exceed the full sales price of the services and/or goods ordered and in any event shall not be less than US\$ 250. Without derogating from the above, in no case may goods be returned without Aero's prior written permission. All such approved returns must be shipped with transportation charges prepaid. Modification or reduction to the Order may result in an additional charge to Customer and/or an additional lead-time.

4. Prices: The prices do not include any duties, taxes, freight or packing or other charges, except when otherwise expressly agreed in writing between the parties. Charges are subject to currency exchange rate evolution between repair estimate and invoice date. All taxes, duties, fees or other assessments, including interests and penalties in connection therewith are for Customer's account, with the exception of those imposed on corporate income and net profit of Aero levied by the United States government.

5. Invoicing and Payment: For any Order exceeding US\$ fifty thousand (US\$ 50,000.00), a forty percent (40%) down payment shall be paid by the Customer no later than the date of confirmation of the Order. Any other amount due by Customer to Aero is payable in cash, upon delivery of the goods or performance of work and/or service, unless otherwise agreed between the parties. Payment shall be made by wire transfer to the relevant bank account as specified by Aero, in the currency indicated on the invoice. In case of payment in any other free convertible currency the exchange rate valid on the day of actual money transfer shall be applied for conversion. If any payment due to Aero is not received on the due date, a demand to pay shall, *ipso facto*, be deemed given as of that date and Aero shall have the right, without prior written notice, to claim interest from Customer at the rate of one and one half percent (1.5%) of the invoice price per month calculated *prorate* as from the due date until the day when full payment is received. Such right shall be without prejudice to Aero's other rights including but not limited to the right to suspend deliveries to Customer until such due payment is received or to claim for the immediate payment of any outstanding amount. Customer shall also have to pay a fixed penalty of ten percent (10%) of the amount overdue, with a minimum of US\$ five hundred (US\$ 500.00), without prejudice to the rights of Aero of claiming from Customer the reimbursement of legal expenses and costs, including reasonable attorney fees. Customer shall not be entitled to withhold any payment of any part of an invoice, nor shall Customer set off any amount against invoices. Any invoice not disputed in writing with detailed indication of the reason thereof within fifteen (15) calendar days from the invoice issuance date will be deemed irrevocably accepted by Customer. Customer agrees that a mechanic's or material man's lien exists on equipment or property (including aircraft or data) which is in the custody of Aero or present in Aero's premises, to the extent of Customer's debts. Aero shall retain title to goods sold or exchanged to Customer until full payment of the entire price thereof by Customer.

ALL GOODS OR PRODUCTS IN THE CARE OR CUSTODY OF AERO ON WHICH SERVICES (QUOTATION, REPAIR, STORAGE...) HAVE BEEN PERFORMED AND REMAIN UNPAID FOR A PERIOD OF TWO (2) MONTHS AS FROM DUE DATE OR WHEN CUSTOMER FAILS TO TAKE DELIVERY OF THOSE PARTS WITHIN A PERIOD OF SIX (6) MONTHS AS FROM AGREED DATE, AT THE EXPIRATION OF THOSE TIME LIMIT, WHICHEVER OCCURS FIRST, CUSTOMER AGREES TO IRREVOCABLY TRANSFER ITS TITLE OF OWNERSHIP IN THOSE GOODS, PRODUCTS TO AERO UPON WRITTEN NOTICE BY AERO ADDRESSED TO THE CUSTOMERS AT THE ADDRESS STATED IN THE AERO INVOICE WITHOUT FURTHER LEGAL PROCESS OR DEMAND AND CUSTOMER HEREBY APPOINTS AERO, THROUGH ITS OFFICERS, AS CUSTOMER'S TRUE AND LAWFUL ATTORNEY IN FACT TO EFFECT THE SALE, TRANSFER AND DISPOSITION OF TITLE TO THE PROPERTY TO AERO FREE AND CLEAR OF ANY LIEN OR ENCUMBRANCE.



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6. Delivery and Transportation: Goods sold or products on which work and/or services are to be performed shall be sent DELIVERED DUTY PAID (DDP - Incoterms ICC 2000) to Aero's facility and (re-)delivery by Aero shall occur EX WORKS (EXW - Incoterms ICC 2000) Aero's facility, except if otherwise agreed or specified herein. Any item shall be transported in accordance with industries standards and/or ATA 300 standards (for air transport), ADR regulations (for transportation by road), and regulations of the country of destination and/or manufacturers' requirements. For any shipment of dangerous goods, the relevant item shall be packed in accordance with the latest IATA "Dangerous Goods Regulations". Neither party shall bear any risk associated with transportation in the event of faulty or unsecured packing under the other party's responsibility and not in accordance with the above. Should Aero and/or its subcontractors be in charge of shipment, the liability of Aero for any loss or damage to goods and for any consequences thereof attributable (in whole or in part) to the shipment operation undertaken by Aero and/or its subcontractors, is strictly limited to the indemnification ceilings as fixed by the Geneva Convention 19 May 1956 in case of carriage by road (national or international) or by the Warsaw Convention 12 October 1929 as amended by Montreal Convention 28 May 1999 in carriage by air (national or international). Customer acknowledges that the services or goods (including without limitation data, commodities, technology or software) supplied by Aero under the Terms may be subject to export control laws and regulations, and diversion contrary to such laws and regulations is prohibited. Customer shall indemnify and hold Aero harmless against any damages, losses or fees of any kind imposed as a result of Customer failure to comply with any applicable export control law or regulation. Delivery times indicated on Order are approximate and non-binding, unless specifically agreed to in writing by Aero. Aero shall not be responsible for consequences of delays in delivery, including lack of notification thereof.

AERO RESERVES THE RIGHT TO APPLY STORAGE FEES TO ANY GOODS SOLD OR PRODUCTS ON WHICH WORK AND/OR SERVICES HAVE BEEN PERFORMED AND HAVE NOT BEEN COLLECTED BY CUSTOMER TO A FLAT RATE EQUAL TO US\$ ONE HUNDRED (US\$ 100) PER WEEK STARTING THIRTY (30) CALENDAR DAYS AS FROM AGREED DELIVERY DATE. AT THE EXPIRATION OF A PERIOD OF SIX (6) MONTHS, AERO MAY EXERCISE RIGHT TO DISPOSE OF THE GOODS AS MENTIONED UNDER ARTICLE 5 HEREIN.

7. Quality Requirements: Customer acknowledges that Aero is a FAR Part 145 organization, and Customer accepts to cooperate under the requirements set out by the applicable aeronautical authorities. The continuing airworthiness of the relevant aircraft is the responsibility of Customer (and/or the operator) and Customer shall order all work and services to be performed in that respect. Customer shall have the maintenance schedule and aircraft airworthy conditions approved by the relevant Aviation Authority. Customer shall supply to Aero all up- to-date technical data and information deemed reasonably necessary by Aero. Aero shall be entitled to subcontract performance of the services to a duly qualified party, including to its affiliates.

8. Force Majeure: Aero shall not be liable nor deemed to be in default for any failure to perform its obligations due to *force majeure* or any other cause beyond its reasonable control and which prevent Aero from performing its obligations, in total or in part, such as but not limited to: (i) acts of God or public enemy, act of civil or military authorities, any law, decision, regulation, directive or other act of any government, or the EASA/FAA authorities, or of any department, commission, board, bureau, agency, or court, war or civil war, armed hostilities, insurrection, riot, acts of nature, fire, flood, explosion, earthquakes, natural disaster, accident, total or constructive total loss, epidemic, quarantine restrictions, labor dispute in particular external strike, lockout or serious accidents (resulting in the cessation, slowdown or stoppage of work), embargoes; (ii) delay or failure of Customer to deliver as agreed the relevant item or supplies, the required documentation or information; (iii) delay or failure on the part of a third party supplier or vendor to procure materials, accessories, equipment, parts, tools and/or documentation, after due and timely diligence; (iv) campaign changes or manufacturer' design failure; (v) unforeseen major defect on the item to which the performance of services are related; or (vi) additional services or changes requested by Customer and not agreed at the time of the Order. When Aero demonstrates that one of the abovementioned events has caused damage or delay, the *force majeure* is presumed.

9. Acceptance: In the event that (a) Aero supplies goods to Customer: the goods shall be deemed accepted upon delivery, unless the Customer notifies in writing any non-conformities and/or apparent defects on the accompanying transport document; (b) Aero installs the goods for Customer: the goods shall be deemed accepted upon installation, unless the Customer notifies in writing any non-conformities or apparent defects after inspection and test immediately following installation; (c) Aero performs a service: within seven (7) calendar days after performance of the service, Customer shall notify Aero of its rejection of the performed service, should it not comply with the one ordered. Any rejection shall specify the nature and scope of the deficiencies in such a service. If no rejection is reported in writing within the term of seven (7) calendar days, the performed service will be deemed definitively accepted by Customer. Notwithstanding anything to the contrary within the Terms, Customer will bear all risk of loss of or damage to or caused by such goods from the time that they are delivered to Customer in accordance with the above.

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10. Liability - Warranty - Remedies:

10.1 - Customer waives, releases and renounces and shall cause its insurers and any person having an interest in the aircraft, component under maintenance or any part thereof to waive, release and renounce any and all claims, remedies and rights of recourse or subrogation (whether in contract, in tort or otherwise) against Aero, its insurers, directors, officers, employees, servants, agents, suppliers and subcontractors, and Customer holds them harmless against any claim (including from a third party) for any damage whatsoever (including but not limited to death of or injury to persons, and loss of or damage to an aircraft or a good or product incorporated or not) arising out of any cause whichever it may be (whether or not in the course of performance of work and/or services and/or supply of goods).

10.2 - Notwithstanding Article 10.1 but without prejudice to Article 10.4 and 10.5 and subject to the limitations set forth therein, Aero warrants that the work and services performed by Aero are free from defect in workmanship and that the parts manufactured by Aero (if any) are free from defect in material, for the warranty period specified by Aero and (if not specified) for six months for components repaired and twelve months for components overhauled or modified from the date of delivery to Customer. This warranty will be applicable provided that: (i) Customer notifies Aero of its claim and delivers a written report to Aero within eight (8) calendar days from discovery of the suspected defect, (ii) the defective item or part has not been altered, repaired or overhauled by a party other than Aero or its duly appointed subcontractors; (iii) the defective item or part has not been subjected to FOD, misuse, neglect, accident, third-party manufacturer design failure, inherent vice or latent defect; and (iv) the defective item or part has not been stored, handled, packed, maintained, installed, shipped, cared or operated in accordance with the latest recommendations, specifications, requirements or instructions of the manufacturer or of the relevant regulatory bodies or agencies. Aero's sole obligation with respect to the warranty is to correct such defective products or work, by repair or replacement at Aero's option. Aero's liability shall never exceed the price of the product or service covered hereunder, which means that the cost of any replacement product and/or the cost of any repair or corrective work will be invoiced by Aero to Customer and Customer will pay such invoice to the extent that it exceeds the price of the defective product or service. Should any technical data prepared by Aero contain any non-conformity or defect, the sole and exclusive liability of Aero shall be to take all reasonable steps to, at its option, correct or replace such technical data. In respect of any part or goods sold by Aero pursuant to the Order but not manufactured by Aero, should Aero have obtained in its capacity as buyer a supplier warranty, that portion of the warranty remaining shall be transferred to Customer in the same conditions as obtained by Aero from its supplier. No further compensation for any other claim or damage, including without limitation for any damage to the aircraft, shall be granted by virtue of the warranty provided by this Article 10.2, without prejudice to Article 10.3.

10.3 - Notwithstanding Article 10.1 but without prejudice to Articles 10.4 and 10.5 and subject to the limitations set forth therein, Aero will remain liable for the damage caused by the gross negligence or willful misconduct of Aero, its directors, officers, employees, servants, agents or subcontractors. Should Customer claim that damage is due to gross negligence or willful misconduct on the part of Aero, Customer bears the burden to demonstrate that such damage is due to Aero's gross negligence or willful misconduct. Aero shall provide all reasonable cooperation in that respect. Failing such demonstration, Aero shall not be held liable in any respect.

10.4 - Notwithstanding any other clause, Aero shall never be liable and Customer hereby waives, releases and renounces all rights and claims against Aero to the fullest extent permitted by law for any special, incidental, consequential, exemplary, punitive or indirect losses and damage of any kind whatsoever (including without limitation loss of use, revenue or profits, loss of prospective economic advantage, loss of customers, loss of data, costs incurred as a result of the lease of a spare aircraft or item or other costs resulting from the unavailability of an aircraft or item, accommodation and compensation of passengers, or immaterial damage), for any reason whether arising in contract (including warranty according to Article 10.2 hereof) or otherwise.

10.5 - Aero's warranty and liability obligations resulting from Article 10.2 to 10.4 are exclusive and in substitution for, and Customer waives, releases and renounces, all other warranties, obligations and liabilities of Aero and all other rights, claims or remedies of Customer against Aero and/or its insurers, express or implied, arising by law or otherwise, with respect to any non-conformity or defect in any product delivered or service or work performed, including, but not limited to: (A) any warranty against hidden defects, (B) any implied warranty of merchantability or fitness for a particular purpose, (C) any implied warranty arising from course of performance, course of dealing or usage of trade, (D) any warranty against infringement, (E) any obligation, liability, right, claim or remedy whether in contract, in tort or otherwise.

11. Insurance: Customer shall procure and maintain such aircraft liability, aircraft hull, and comprehensive general liability insurance policies that Customer may carry on its own business, and/or any aircraft owned, leased, chartered, maintained or managed by Customer, naming Aero as an additional insured and waiving subrogation rights against Aero. The failure or refusal of Customer to adhere to the terms and conditions of this Article 11 in no way relieves the Customer from its duties under these Terms and/or at any applicable law to hold harmless, indemnify, and defend Aero from all alleged liabilities arising out of an aircraft accident, incident or mishap as described elsewhere in these Terms.

12. Confidentiality and Proprietary Information: Any information, document or data of whatever nature and support, commercial or otherwise, transmitted by Aero to Customer in connection with the Order and/or the supply of services or goods shall be deemed confidential information and, Customer undertakes not to disclose any such information, document or data to any third party for any reason whatsoever, and not to copy or reproduce any such information, document or data, without Aero's prior written consent, except (i) as may be required by law, (ii) for information in the public domain and/or accessible to the general public, (iii) for the internal use of Customer's representatives or agents only on a need-to-know basis. Should the performance of the services by Aero result in the creation and development of any intellectual or industrial property right, Aero shall have full title and interest in such right.



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13. Miscellaneous: Aero shall, without prejudice to Aero's other rights, be entitled to suspend the performance of its obligation and/or terminate the Order (in whole or in part) by written notice and without need of judicial recourse, should Customer fail to remedy any breach of its obligations. Customer shall not assign an order or any interest therein or any rights hereunder (including the right to receive delivery) without the prior written consent of Aero. In the event that any provision of the Terms should for any reason be held ineffective, the remainder of the Terms shall remain in full force and effect. Provisions contained or referred to in Customer's order neither cancel nor modify nor add to the present Terms, unless otherwise agreed in writing between the Parties. The failure to enforce at any time any of the Terms or to require performance of same shall in no way be deemed to be a present or future waiver of the relevant Terms.

14. Equal Opportunity Employer: Aero adheres to a policy of providing equal employment opportunity for all qualified employees and applicants without regard to race, gender, color, religion, national origin, age, disability, or veteran status, and take affirmative action to insure compliance with such policy. Aero certifies that it is in compliance with the requirements of all applicable Executive Orders including, but not limited to, Executive Order 11246, as amended, Executive Order 11625, and Executive Order 11701, and all federal, state and local laws and regulations prohibiting discrimination on the basis of a protected status.

15. Changes: - Any change to these Terms must be in writing and issued/published by Aero. Customer should consult Aero's website prior to submitting any order to check if these Terms have been modified or updated.

16. Governing Law and Jurisdiction: These Terms shall be governed by and construed with the laws of the State of New York, USA, without giving effect to any conflict of law rule that may require the application of the laws of another jurisdiction. The United Nations Convention on International Sale of Goods shall not apply to these Terms. Any claim, dispute or cause of action against Aero shall be submitted to the exclusive jurisdiction of the Courts of Niagara County, New York, USA that shall have jurisdiction of any claim, dispute or cause of action and Customer consents to the jurisdiction of the Courts of Niagara County, New York, USA. Aero may, at its option, institute legal proceedings against Customer at the Courts of Niagara County, New York, USA or the courts of the country where Customer's registered office is located.

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