

Avtech Avionics & Instruments**STANDARD TERMS AND CONDITIONS**

1. WARRANTY

- AVTECH AVIONICS & INSTRUMENTS shall offer Customer the following warranty conditions:
 - Repair: 12 months or 3,000 hours, whichever occurs first. All performed services and replaced parts are covered.
 - Overhaul: 24 months or 6,000 hours, whichever occurs first.
- A. Seller warrants that Products manufactured, or repaired/refurbished by Seller, when delivered, shall be free from defects in material and workmanship. Products not manufactured by Seller are warranted only in accordance with the limited warranty of the Manufacturer. Seller shall pass through to the Buyer only the Manufacturer's warranty for such Products, if any, and Buyer shall look solely to the Manufacturer for all warranty claims. All Products repaired/refurbished or replaced shall be warranted only for the unexpired portion of the warranty period. Seller warrants that Services performed shall be performed in accordance with current regulations of the Federal Aviation Administration or other applicable airworthiness authority, Seller repair manuals, documentation and specifications. Seller shall be authorized to substitute FAA or other airworthiness authority-approved materials for the Manufacturer's material.
- B. Acceptance of the Products and/or Services shall be deemed to occur upon inspection by the Buyer or after sixty (60) days from the date of delivery to the Buyer, whichever occurs first. If Buyer believes that there exists a defect in the Products or Services, Buyer shall promptly notify Seller in writing and provide Seller with reasonable access to the Buyer's property in question in order for Seller to investigate the alleged defect. Buyer shall be responsible for the cost of providing such access, including disassembly, removal, replacement and reassembly of any equipment, materials or structures.
- C. Seller's obligations under the aforesaid warranty shall be limited exclusively to repairing or replacing, at Seller's option, any Products/Services proved to have been defective within (i) 12 months or 3000 hours of operation for repairs (whichever occurs first) or (ii) within 24 months or 6000 hours of operation for overhauls (whichever occurs first) of the Products or Buyer's property that was the subject of the Services.
- D. Seller's warranty obligations shall not apply to any defect caused by (1) alteration or repairs by someone other than the Seller, or (2) failure of the Buyer to properly store, apply, install, operate, inspect or maintain the Products or parts thereof or Buyer's property in connection therewith or (3) defects in any items delivered to Seller by Buyer that did not occur as a result of the Services, or (4) Products that are normally consumed in operation or are subject to erosion and corrosion.
- E. This section sets forth the exclusive remedies and obligations for claims based upon defects in or nonconformity of the Products and Services, whether the claim is in contract, warranty, tort (including negligence of any degree or strict liability) or otherwise. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER

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WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. NO IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.

2. CERTIFICATE AND DOCUMENTATION

All work performed at AVTECH AVIONICS & INSTRUMENTS will have the following certifications:

- Dual Release EASA and FAA

3. PAYMENT

- AVTECH AVIONICS & INSTRUMENTS shall invoice Customer at the approved estimate price and the standard payment terms shall be NET 30 days after the unit is shipped from AVTECH AVIONICS & INSTRUMENTS.
 - A. The term of payment shall be net thirty (30) days from date of Seller's invoice. Payments shall be made by Buyer without any deduction or set-off. Unless otherwise agreed, payment shall be made in U.S. dollars. Seller may charge late payment fees at the rate of 1.5% per month, or the highest rate permitted by law, whichever is less, accruing daily.
 - B. If the financial condition of the Buyer is unsatisfactory to Seller, Seller may require full or partial payment in advance, or satisfactory security, in the form of a letter of credit or otherwise. In the event of bankruptcy or insolvency of Buyer, Seller may immediately cancel any Order then outstanding.
 - C. Buyer grants to Seller a purchase money security interest in Products located in the United States, and Services, as well as any proceeds, for the purpose of securing the obligations of Buyer hereunder. Buyer authorizes Seller to execute on Buyer's behalf and file such financing statements as Seller deems appropriate to perfect and notify Buyer's creditors of Seller's security interest.
- All payments shall be effected to AVTECH AVIONICS & INSTRUMENTS as follows:
 - **FOR WIRE TRANSFER:**
 - Wire Acct #: 799761317
 - Wire ABA No. 021000021
 - Wire Acc. Name: JP MORGAN CHASE BANK AMETEK MRO, INC
 - Swift ID: CHAS US33
 - Bank Address: 1 CHASE MANHATTAN PLAZA, NY 10081 OR

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- **By COMPANY or CASHIER CHECK** to the following address:

WACHOVIA BANK AMETEK MRO, INC
P.O. BOX 8500
Lock Box No. 8416
Philadelphia, PA 19178-8416

4. DELIVERY and RISK of LOSS

- Delivery dates are approximate and are dependent on prompt receipt by Seller of all necessary information. Risk of loss for all property of Buyer shipped to Seller for performance of Services shall remain with Buyer. Seller is not the insurer of such property of Buyer and Seller's sole obligation is to use ordinary care in providing Services to such property. Delivery shall be made FOB Shipping Point.

5. EXPORT CONTROL / FCPA / ANTI-BOYCOTT

- A. Buyer shall not make any disposition of the Products, or any hardware or technical data supplied in conjunction with the Products or Services, by way of transshipment, re-export, diversion or otherwise, (1) except as applicable U.S. export laws and regulations may expressly permit, and (2) other than in and to the ultimate country of destination specified on Order(s) or declared as the country of ultimate destination on Seller's invoices or in the End Use Statement that Buyer supplies to Seller. Seller shall not be named as shipper or exporter of record or U.S. principal party-in-interest (USPPI) unless specifically agreed to in writing by Seller in which case, Buyer shall provide Seller with a copy of the documents filed by Buyer for Export clearance purposes. At Seller's request, Buyer shall supply end-use and end-user information to determine export license applicability. Failure of Buyer to comply with this section shall constitute a material default allowing Seller to cancel related Order(s) without liability.
- B. Buyer warrants that it shall not violate or cause the Seller to violate the U.S. Foreign Corrupt Practices Act of 1977 (FCPA), as amended, the United Kingdom Bribery Act (UKBA) of 2010, as amended, or their respective implementing regulations in connection with Buyer's sale or distribution of the Products and/or Services, and that Buyer does not know or have reason to believe that any consultant, agent, representative or other person retained by Buyer in connection with the sale and/or distribution of the Products and/or Services has violated, nor caused Seller to violate the FCPA and/or the UKBA. Where Buyer learns of or has reason to know of any violation of the FCPA and/or or UKBA in connection with the sale or distribution of the Products and/or Services, Buyer shall immediately advise the Seller.
- C. Buyer further warrants that Buyer shall not violate or cause the Seller to violate the U.S. Anti-Boycott Provisions of the U.S. Export Administration Regulations

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issued pursuant to the U.S. Export Administration Act of 1979, as amended in connection with Buyer's purchase of Products and/or Services and that Buyer shall not request or require Seller to make any statements or certifications against countries that are not subject to boycott by the U.S. The Parties shall treat as strictly confidential for the Term of this Agreement and thereafter, this Agreement, including the document itself as well as individual provisions contained herein. In particular each Party shall treat as strictly confidential the contents of the negotiations leading up to this Agreement. Neither Party shall disclose this Agreement or the contents of the negotiations leading up to this Agreement to any employee, third party or other person except where such disclosure is necessary in order to fulfil the obligations under this Agreement and except that CUSTOMER may disclose this Agreement and the contents of the negotiations leading up to this Agreement to a company directly or indirectly controlled by CUSTOMER.

6. LIMITATION of LIABILITY

- Seller's sole and exclusive maximum liability for direct damages, whether based in contract, tort or otherwise, shall not in any event exceed the purchase price actually paid by Buyer for the particular Products and/or Services at issue. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT, (INCLUDING NEGLIGENCE OF ANY DEGREE, STRICT LIABILITY OR PATENT INFRINGEMENT) OR OTHERWISE, SHALL SELLER, ITS AFFILIATES, SUBCONTRACTORS, OR SUPPLIERS BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF USE OF THE PRODUCTS OR SERVICES, OR ANY ASSOCIATED EQUIPMENT, GROUNDING OF AIRCRAFT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS OR SERVICES, DOWNTIME COSTS, DAMAGE TO ANY AIRCRAFT OR OTHER PROPERTY, REQUIRED CHANGES OR MODIFICATIONS TO AIRCRAFT COMPONENTS OR ASSEMBLIES, CHANGES IN RETIREMENT LIVES AND OVERHAUL PERIODS, OR FOR ANY SPECIAL, PROXIMATE, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR EXEMPLARY DAMAGES. Any action against Seller must be brought within eighteen (18) months after the cause of action accrues.

7. GENERAL INDEMNITY

- A. Notwithstanding anything to the contrary stated herein, Buyer shall assume all risk and liability for any and all losses and/or liabilities and/or injuries (including death) and/or damages of any kind whatsoever to any person or property or otherwise resulting from or arising in connection with the Products and/or Services provided by Seller, including but not limited to (i) any regulatory violation, (ii) Buyer's possession, use, handling, transportation, storage and/or sale of the Products, whether used alone or in conjunction with other goods, or incorporated in an aircraft; and/or (iii) that arise out of an aircraft accident, incident or mishap occurring anywhere for whatever cause or reason, and Buyer shall indemnify and hold harmless (including attorneys' fees and costs) the Seller and/or its officers, directors, agents, employees, and affiliates and their respective, officers, directors agents and employees

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(collectively "Seller's Indemnitees") from and against any and all claims, losses, suits liabilities, damages, fines, penalties, and governmental regulatory enforcement actions arising out of or in conjunction with any of the foregoing.

- B. In the event of a resale by the Buyer of any of the Products to a third party, Buyer shall make, in connection with such resale, only those warranties and/or representations contained herein. Without derogating from the aforesaid, Seller shall have no liability whatsoever and Buyer shall be solely liable for any claim of such third party with regard to the Product(s) and shall indemnify, defend and hold Seller and Seller's Indemnitees harmless from and against all claims, losses, suits liabilities, damages, which arise out of or in conjunction with the Products by such third-party buyer.

8. EXCUSABLE DELAYS

- Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to causes beyond Seller's reasonable control including but not limited to: acts of God; war; terrorism; civil commotion; riots; embargoes; government regulations, orders, instructions or priorities; port congestion; acts of or failure to act on the part of Buyer or its agents/employees; fires; floods; sabotage; nuclear incidents; earthquakes; storms; epidemics; strikes; lockouts or other labor difficulties; shortages of or inability to timely obtain proper labor, materials, components, shipping space or transportation, fuel, supplies or power at current prices; or due to limitations imposed by the extent of availability of Seller's normal manufacturing facilities.

9. DIES, TOOLS, PATTERNS

- Buyer shall procure and maintain such aircraft liability, aircraft hull, and comprehensive general liability insurance policies that that Buyer may carry on its own business, and/or any aircraft owned, leased, chartered, maintained or managed by Buyer, naming Seller and Seller's Indemnities as additional insureds and waiving subrogation rights against Seller, Seller's Indemnities, and their respective insurers.

10. GENERAL

- A. The rights and obligations of the Buyer and Seller hereunder shall be governed in all respects by the law of the Commonwealth of Pennsylvania, U.S.A. The exclusive forum for adjudication of any disputes shall be the federal or state courts of the Commonwealth of Pennsylvania, and the parties hereby consent to personal jurisdiction and venue in such courts in any proceeding. The United Nations Convention on the International Sale of Goods shall not apply.
- B. These Terms and Conditions of Sale for Overhaul and Repair Services, together with any other terms specifically agreed to in writing by Seller constitute the entire agreement between Buyer and Seller and supersede any prior or contemporaneous representations, agreements, proposals, warranties, or understandings, oral or

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written, express or implied. No waiver, modification, amendment, rescission or other change to these Terms and Conditions of Sale for Overhaul and Repair Services shall be binding unless specifically agreed to in writing by an authorized representative of Seller.

- C. The invalidity, of any part hereof shall not affect the validity of the remainder. The failure of Seller to assert any right at any time hereunder shall not prevent Seller's subsequent assertion of the same or different rights.
- D. Buyer may not assign this contract without the prior written approval of the Seller.
- Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to causes beyond Seller's reasonable control including but not limited to: acts of God; war; terrorism; civil commotion; riots; embargoes; government regulations, orders, instructions or priorities; port congestion; acts of or failure to act on the part of Buyer or its agents/employees; fires; floods; sabotage; nuclear incidents; earthquakes; storms; epidemics; strikes; lockouts or other labor difficulties; shortages of or inability to timely obtain proper labor, materials, components, shipping space or transportation, fuel, supplies or power at current prices; or due to limitations imposed by the extent of availability of Seller's normal manufacturing facilities.