



## Aero-Zone Sales Order Standard Terms and Conditions (ver. 1.7)

The following Standard Terms and Conditions Apply To, and Supplement, All Aero-Zone Sales Orders and Confirmations:

I. **Definitions.** For purposes of these Standard Terms and Conditions, the following rules and definitions apply:

The term “**Article**” or, collectively, “**Articles**” means any item or items sold by Aero-Zone to a Customer.

The term “**Customer**” means a company or person that is purchasing an Article from Aero-Zone.

The term “**Authorized Repair Facility**” means an appropriately-rated facility from the Aero-Zone list of authorized repair facilities, and includes any facility with which Aero-Zone contracts for repair services.

The term “**Expired**” means any inspected, repaired, overhauled, or new Article where the airworthiness approval certificate is over two years old.

The term “**Pass/Fail Article**” means any Article that cannot be repaired beyond a general pass or fail inspection. A Pass/Fail Article can be, but is not limited to inspected, repaired, overhauled, or new conditions.

The term “**Return of Material Authorization**” (“**RMA**”) means a written authorization issued by Aero-Zone to authorize the return of an allegedly discrepant Article. A RMA is issued by Aero-Zone at its sole discretion.

The term “**Excess**”, as relating to shipping costs, is defined as charges in excess of the cost of the manner directed in the Customer’s purchase order.

The term “**Free On Board**” (FOB) means that the seller delivers the goods on board the vessel or carrier nominated by the buyer at the named port of shipment or collection location or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel or carrier, and the buyer bears all costs from that moment onwards.

II. **Loss or Damage.** Notwithstanding any other terminology on the transaction documents, risk of loss of an Article passes to the Customer when the Article (1) is delivered to the carrier who will be responsible for carriage from Aero-Zone in the case of an Article shipped to a Customer or (2) is claimed by the Customer in the case of an Article picked-up at Aero-Zone or Aero-Zone’s Authorized Repair Facility by the Customer or the Customer’s agent. In the event that the Article is lost, stolen, damaged, or destroyed before risk of loss has passed, the Customer must notify Aero-Zone, in writing, within five business days of the loss or else the Customer waives any right to compensation and remains responsible for the purchase price. In the event that the Article is lost, stolen, damaged,

or destroyed after leaving Aero-Zone or Aero-Zone's Authorized Repair Facility, the Customer shall be obligated to pay all the amounts that would be due and payable to Aero-Zone if no such loss, theft, damage, or destruction occurred. In all events, Customer is expected to insure its Articles against loss. If Customer fails to insure Article against loss, then Customer does so at its own peril.

**III. Documentation.** All Articles sold by Aero-Zone shall have trace documentation to the extent described in the sales confirmation.

**IV. Shipping Costs.** If the purchase order directs that the Article be shipped according to a particular method, then Customer will reimburse Aero-Zone for actual shipping costs so long as Aero-Zone follows the directions of the purchase order. If the purchase order is silent as to shipping method, then Aero-Zone may opt to pay for shipping and shall be expected to choose a method of shipping that permits compliance with the terms of the purchase order, and the Customer will reimburse Aero-Zone for shipping charges. If Aero-Zone ships in a manner other than the manner directed in the purchase order, then Aero-Zone shall pay any Excess charges in shipping, as estimated by Aero-Zone.

**V. Customer Inspection.** Customer shall inspect the Article and all certifications and documentation delivered to Customer by or on behalf of Aero-Zone within five business days of receipt. Customer must notify Aero-Zone in writing of any discrepancies found during the inspection period. In the event that Customer notifies Aero-Zone, in writing, of discrepancies before the expiration of the inspection period, Customer shall have five business days from the day Customer provided Aero-Zone with the discrepancy, in writing, to request a RMA. If a RMA is requested within the time specified in the preceding sentence, and Aero-Zone provides the RMA, the Customer shall return the Article in accordance with section VII of these Standard Terms and Conditions or in accordance with other written instructions provided by Aero-Zone in connection with such RMA.

**VI. Warranty.** Aero-Zone warrants that Articles will be in the condition identified in the documentation. In the event that an Article does not meet the condition identified in the documentation, and the alleged discrepancy could not have been discerned during the shipping inspection, Customer may make a warranty claim by (1) notifying Aero-Zone in writing of the alleged discrepancy, (2) providing Aero-Zone with the failure report, and (3) asking for a RMA for warranty consideration. The warranty period begins on the date of invoice, lasts for a period of one year for new and overhauled Articles (other than Expired or Pass/Fail Articles), six months for repaired Articles, (other than Expired or Pass/Fail Articles), 30 calendar days for Expired or Pass/Fail Articles and 30 calendar days for inspected Articles. Articles returned for warranty after 30 calendar days from date of invoice will not be eligible for credit. Once Aero-Zone has issued a RMA, the allegedly discrepant Article must be returned to Aero-Zone for a warranty claim within this warranty period (unless return is waived by Aero-Zone in favor of mutilation). If time is of the essence, then upon receiving written preapproval from an authorized Aero-Zone representative, Customer may be permitted to return the Article for warranty consideration directly to Aero-Zone's Authorized Repair Facility (or other informed source) for evaluation.



In response to a written notification of discrepancy under the inspection or warranty provisions of these Standard Terms and Conditions, Aero-Zone may (1) reject the claim if the claim is not authorized under the inspection or warranty provisions of these Standard Terms and Conditions or (2) issue a RMA and accept the return of the Article (in such an event, cost of return shipping shall be borne by Customer).

Once Customer is notified of warranty approval or denial by Aero-Zone, the Customer shall have 5 calendar days to provide shipping instructions enabling Aero-Zone to return the Article back to the Customer (the "Return Instruction"). If the Return Instruction is not received by the fifth calendar day, Aero-Zone, at its sole discretion, reserves the right to charge the Customer storage fees and any other applicable fees associated with the storage of the Article. If Aero-Zone has not received the Return Instruction in writing within 90 calendar days of Aero-Zone's initial request for Return Instruction, Customer (1) shall be deemed to have relinquished all its rights of ownership and all its other rights, if any, to the Article, (2) assigns to Aero-Zone all ownership and all its other rights to the Article, and (3) acknowledges that Aero-Zone may dispose of the Article at its sole convenience and discretion.

The full cost of returning an Article in accordance with a RMA to Aero-Zone, including but not limited to all shipping costs to and from the Customer, shall be the sole responsibility of the Customer. Any shipping charges paid by Aero-Zone shall be applied and invoiced to the Customer accordingly. Aero-Zone may, at its sole discretion, pay or reimburse shipping costs to the Customer when warranty consideration is accepted.

Unless written preapproval is authorized by Aero-Zone, all warranties, expressed or implied, shall immediately cease if Article is sent to a third party repair facility, or compromised or tampered with by the Customer, an unauthorized repair facility, or other facility inspecting the Article, opening the Article, or tampering with or removing any safety wire, protective warranty label or sticker from the Article.

THESE WARRANTY TERMS REPRESENT THE SOLE REMEDIES AVAILABLE TO A CUSTOMER, AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. AERO-ZONE SHALL NOT BE LIABLE FOR ANY WARRANTY OF MERCHANTABILITY OR FOR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. AERO-ZONE SHALL NOT BE LIABLE FOR CONSEQUENTIAL, NOR INCIDENTAL, NOR SPECIAL, NOR PUNITIVE DAMAGES FOR ANY CAUSE OF ACTION THAT ARISES AS A CONSEQUENCE OF, OR IN RELATION TO, THE TRANSACTION SUBJECT TO THESE STANDARD TERMS AND CONDITIONS.

**VII. Returns.** Customer may not return an Article to Aero-Zone unless Aero-Zone has issued a RMA including a RMA number for the return. RMA's may be issued for alleged discrepancies when reported in accordance with section V of these Standard Terms and Conditions. RMA's may be issued for return for credit at Aero-Zone's sole discretion. An issued RMA is valid for 30 calendar days from the issue date. If Aero-Zone or Aero-Zone's Authorized Repair Facility has not received the Article/s within 30 calendar days from issue date, then (1) RMA consideration will expire, (2) Customer will not be

eligible for a credit, and (3) Customer will be obligated to pay all the amounts that would be due and payable to Aero-Zone if no RMA request occurred.

An Article sold by Aero-Zone under these Standard Terms and Conditions that is returned to Aero-Zone with a request to issue credit must be (1) requested within 30 calendar days from date of invoice, (2) in unused and airworthy condition, (3) returned with original certifications and documentation accompanying the Article when shipped by Aero-Zone, or on Aero-Zone's behalf to the Customer, and (4) accompanied by a written certification, signed by an authorized person on behalf of the returning Customer and any other parties which had the Article in their possession, certifying that the Article has not been installed, and that no attempt has been made to install it, since its receipt by the Customer and other parties. Such Article shall be subject to a restocking fee in the amount of (a) 15% of the total sale price for the Article or (b) a minimum fee of \$250, whichever is greater. Upon receipt by Aero-Zone, at Aero-Zone's sole discretion, such Article may be sent to an Authorized Repair Facility for evaluation. If Aero-Zone or the Authorized Repair Facility determines that the Article does not meet one or more of the conditions specified in items (1) through (4) of this paragraph in this Section VII, then (i) the return claim shall be denied, (ii) Customer shall not be entitled to a refund, and (iii) Customer shall be obligated to pay the total sale price for the Article and any costs associated with restoring the Article to the condition in which the Article had been when shipped by Aero-Zone, or on Aero-Zone's behalf, to the Customer and/or evaluation fees or any other costs associated with the determination that the Article does not meet one or more of the conditions specified in items (1) through (4) of this paragraph in this Section VII. If the Authorized Repair Facility finds that any found discrepancies are the result of the mishandling, use, or other incidents which occurred after the Article left Aero-Zone's control, then the Customer shall be obligated to pay all fees identified in these Standard Terms and Conditions.

**VIII. Container Fees.** If the Customer elects to buy an Article that requires a special shipping container (the "Container"), the Customer will be charged an additional special shipping container fee (the "Container Fee"). The Customer will then have 30 calendar days from the date of shipment to return the same serialized Container and receive a full credit for the Container Fee. The Container must be returned in an undamaged condition for the Customer to receive a full credit for the Container Fee. If the Container is not received within 30 calendar days from the date of shipment, or if the Container is received in damaged condition, or if the Container is lost or stolen, Aero-Zone will be under no obligation to issue a credit to the Customer. The Customer shall be obligated to pay all the amounts that would be due and payable to Aero-Zone.

**IX. Customer Charge-Backs.** If the Customer elects to pay by credit card or by Automated Clearing House ("ACH"), in the event that the Customer, or any of its representatives, initiates a charge-back, immediately upon the charge-back becoming effective, the Customer shall be obligated to pay to Aero-Zone the amount subject to the charge-back, any fees or costs charged to Aero-Zone as a consequence of the charge-back, and any fees or costs, including attorneys' fees, associated with Aero-Zone's actions to collect payment from the Customer.

**X. Security Interest.** Until such time as all fees and costs identified in these Standard Sales Terms



and Conditions are fully paid, the parties agree that Aero-Zone retains a security interest in any Articles shipped to the Customer and such Article be a collateral for all fees and costs due from the Customer, and Customer agrees, upon Aero-Zone's written request, to promptly complete and sign a UCC financing statement representing Aero-Zone's security interest in such Article.

**XI. Customer Solvency.** Customer warrants that it is solvent and has no knowledge of any impending insolvency proceedings against it at the time of the transaction.

**XII. Timing.** In all Aero-Zone agreements, unless otherwise specified, time is considered of the essence. Failure by a Customer to meet any of the deadlines specified in any of Aero-Zone's agreements shall be considered a material breach of such agreement.

**XIII. Jurisdiction.** All Agreements made by Aero-Zone are made in their local jurisdiction and shall be governed by and interpreted in accordance with the laws of its local jurisdiction, not including the state's conflict of laws' provisions. Both parties agree that any suit or proceeding based on any matter arising out of or brought in connection with the parties' dealings under the Agreement are subject to these Standard Terms and Conditions, or to enforce any clause of any such Agreement, shall be brought in a trial court in its local jurisdiction. Both parties agree to be subject to the jurisdiction and venue of that court.

**XIV. Costs and Attorneys' Fees.** In the event that either party incurs fees or costs for a collection agent or attorneys' services or in connection with its use of an arbitrator, mediator, court system, or other legal proceeding in order to collect a payment of any amounts owed or otherwise enforce any of either party's rights' or obligations under any Agreement subject to the Agreement and these Standard Terms and Conditions, the non-prevailing party shall be obligated to pay to the prevailing party any and all costs and fees, including attorneys' fees, associated directly or indirectly with any such actions by the prevailing party.

**XV. Compliance.** The Customer warrants that all Articles will be used in compliance with the United States of America, The European Union and the United Kingdom and all applicable laws. The Customer warrants that Articles will not be subsequently used nor shipped in violation of the laws of any jurisdiction through which or into which the Articles are shipped. It is the policy of Aero-Zone, its subsidiaries and affiliates to verify the end use to ensure compliance with applicable export control laws and regulations of the U.S., E.U., and U.K. Any sales, leases or transfer control of any products, including but not limited to technology or software, purchased and/or leased from Aero-Zone to any persons or entities in Cuba, Iran, Libya, North Korea, Sudan, Syria, or Crimea, or to any other sanctioned country, will not be permitted by Aero-Zone under any circumstances unless authorized under United States of America, United Kingdom, and European Union regulations. Any customer placing an order with Aero-Zone agrees that it will abide by all applicable U.S., E.U. and U.K. export control laws and regulations for any products purchased from Aero-Zone that require any licenses or prior approvals from the U.S. government, the E.U., or the U.K. government prior to export or re-export of products, software or technology.



**XVI. Indemnification.** Customer agrees to defend, hold harmless, and indemnify Aero-Zone, its affiliated companies, their directors, officers, employees and agents from and against any and all present and future liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever, including all costs, expenses and reasonable attorneys' fees incidental thereto, which are or may be suffered by, accrued against, be charged to, or be recoverable by reason of any loss or damage to property or injuries or death of any person arising from the Article that is the subject of these Standard Terms and Conditions.

**XVII. Rejection of Amendments / Additions.** No amendments or additions to these Standard Terms and Conditions of the transaction will be accepted unless they are in writing and signed by both Aero-Zone and the Customer.