

Evolution AEROSPACE, INC.[®]

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General Terms and Conditions of Sale

I. Definitions

1. "Seller" means Evolution Aerospace, Inc.
2. "Customer" means the legal entity purchasing goods or services from Seller.
3. "Product" means each and every part, component, service or other item purchased from Seller by Customer.

II. Acceptance of Terms

Customer's placement of an order with Seller, acceptance of any Product, or payment with respect to a Product shall constitute Customer's full and final acknowledgment and acceptance of these Terms and Conditions. Any terms and conditions by Customer in a purchase order or otherwise will not add to, modify, or replace these Terms and Conditions, in whole or in part, and Seller hereby rejects any such additions, modifications, or replacements.

III. Prices and Shipment

1. All prices are subject to change without notice. Invoice prices will be Seller's price in effect at time of shipment.
2. All prices are EXW Ex-Works (Incoterms 2017) Seller plant point of shipment. All expenses and costs related to shipment of the Product, as well of risk of loss during shipment, shall be the responsibility of Customer. Customer is responsible for securing transit insurance if desired. Customer is responsible for the payment of any and all taxes levied or required to be withheld by Customer's tax jurisdiction and Customer will not withhold any portion of payment for possible taxes or withholdings. Customer agrees to defend, hold harmless, and indemnify Seller for any claims, penalties, or fees levied against Seller related to any taxes.
3. All prices do not include sales and excise, VAT or other taxes of any kind. Any applicable taxes will be the sole responsibility of Customer, and will be invoiced from Seller to Customer unless an appropriate tax exemption certificate is provided by Customer.
4. All amounts due are payable in U.S. Dollars.
5. Seller will use commercially reasonable efforts to preserve and return any extraneous part or component left on a unit sent to Seller for overhaul that is not part of the overhaul, but in no event will Seller be responsible if such part or component is lost or damaged. Any costs or expenses related to such preservation or return, including, without limitation, packaging and shipping costs, shall be the sole responsibility of Customer and will be paid to Seller by Customer within five (5) business days of issuance of an invoice for same by Seller.

6. Customer shall be responsible to inspect the Product and to notify Seller of any nonconformance or defect within five (5) business days of receipt. If Customer fails to notify Seller of any nonconformance or defect within this 5 day period, Customer shall be deemed to have accepted the Product.

IV. Credit Approval and Payment

1. Standard payment terms for domestic shipments are net thirty (30) calendar days from the date of Seller's invoice, subject to credit approval. Standard payment terms for foreign shipments are either credit card or bank wire transfer. When credit approval is not sought or given, standard payment terms are credit card (Visa, MasterCard, American Express), wire transfer (received by our bank prior to shipment), or C.O.D.
2. Credit terms, shipments and performance of work are subject to the approval of Seller's credit department.
3. Seller reserves the right to change, without notice, the terms of payment and/or delay or discontinue shipments until past due obligations have been paid.
4. Invoices not paid in full by the due date will accrue finance charges on all outstanding balances, at a rate equal to the lesser of: (i) one and one-half percent (1.5%) per month, or (ii) the maximum interest rate allowed by applicable law.
5. Customer is liable to Seller for any and all expenses incurred in the collection of unpaid balances, however accrued, including, but not limited to, attorney's fees, filing fees, and court costs.
6. In the event of past-due amounts, Customer consents and agrees that a mechanic's lien shall arise and exist with respect to the applicable Product to the extent of Customer's unpaid balance with Seller.
7. Customer agrees to accept service by certified mail to their last known address or to the last location shipment was directed.

V. Export

Customer represents, warrants, and covenants that the Product will not be exported, re-exported, or transferred outside the United States or to any foreign persons unless under full compliance with any law or directive of the United States or the United Nations Security Council, including without limitation, the Trading With the Enemy Act, 50 Section 2401 et seq.; the Export Administration Regulations, 15 C.F.R. Section 768 et seq.; the Arms Export Control Act of 1976, 22 U.S.C. Section 2751 et seq.; and the International Traffic in Arms Regulations, 22 C.F.R. 120-128 and 130, as same may be amended, modified, or replaced; nor shall Customer violate or permit the violation of such laws. Customer further represents, warrants, and covenants that any necessary United States Government export license or other authorization has or will be obtained prior to delivery by Seller. Customer acknowledges that exporting, re-exporting, or transferring the Product to foreign persons is subject to the above regulations regardless if the export occurs in the United States or abroad. Customer shall indemnify and hold Seller harmless to the full extent of any claims, demands, losses, damages, cost (including attorney's fees), lost profits, fines, penalties, and all other expenses arising from the Customer's failure to comply with the requirements of this paragraph.

VI. Core Exchange Policy

1. Returned cores must be in repairable condition and must be the same part number, dash number and mod status as the Product being purchased. Any deviation to the above must be first approved by Seller in writing.
2. Customer is responsible for all shipping charges, any customs duties and other similar costs when returning the core to Seller. All cores will be returned by Customer D.D.P. (Incoterms 2017) Seller's designated location.
3. The core will not be accepted by Seller without a material certification and **full traceability**. Customer will be notified in the event that Seller receives a core without proper certification. Customer will be given two (2) business days to provide proper paperwork. If the certification is not received, the core will be returned to Customer and Customer will be billed for the outright sale price of the relevant Product plus any other applicable charges. Full traceability is defined as: (a) non-incident and non-accident statement (part was not removed from an incident or accident related aircraft and has not been subjected to fire, extreme heat, extreme stress or corrosion); (b) statement that the part was not obtained from any government or military source; (c) documentation to fully trace the part to an FAA 121, 129, or OEM; (d) a Last Operator tag containing off aircraft tail number, times and cycles since new, times and cycles since overhaul, "Reason for Removal" and packing list; and (e) full traceability and records from the original manufacturer for "Life Limited" parts.
4. Cores must be returned within thirty (30) days from date of shipment of Product. Cores not returned within this allotted time will be subject to an additional charge of 1% of the outright sales price for the relevant Product per day from shipment date of the Product to the date of Seller's receipt of the core, payable immediately. Seller reserves the right to not accept a core returned after the allotted time, and in such an event, shall charge Customer the outright sales price for the relevant Product plus all other applicable charges.
5. In the event that Customer's core is determined to be beyond economic repair (BER) or unrepairable for any reason, Seller, at its discretion, may allow Customer to submit one (1) additional replacement core, which must be delivered within ten (10) days of the written notice from Seller to Customer. The replacement core is subject to Seller's review, acceptance and all other provisions of these General Terms and Conditions of Sale.
6. All cores shall be clear of all liens and encumbrances and Customer shall ensure that the ownership title of the core shall pass free and clear upon execution of an exchange transaction. Customer will take all further actions reasonably requested by Seller to document the transfer of title to Seller and confirm clear title.
7. Unless otherwise stated, all amounts due from Customer under this Section VI shall be due and payable in U.S. Dollars within five (5) business days after Seller's issuance of the relevant invoice.

VII. Limited Warranty Policy

Seller warrants that the Product shall be free from defects in material and workmanship under normal use and service for the earlier of the periods specified for the relevant Product in the schedule below, or upon the installation of the Product on an aircraft. The foregoing warranty is limited to work performed or Products manufactured by Seller, and Seller will cooperate with Customer, at Customer's sole cost and expense, to assign any manufacturer's warranty to Customer for any Product not manufactured by Seller, but in no event shall Seller be liable for any failure of the manufacturer to assign such warranties.

The limited warranty of Seller hereunder shall be void to the extent that a Product has been disassembled, repaired, or altered outside of Seller's place of business (unless prior written authorization was granted by Seller) or if the Product is subject to misuse, accident, or improper installation, or operated or maintained outside of the manufacturer's specifications. Except for the limited warranty of Seller hereunder, any Product being sold or delivered to Customer is sold or delivered without any representation, warranty, or guarantee of any kind by Seller, its agents, members, directors, officers, etc., express or implied, arising in law or otherwise and Seller disclaims all express or implied warranties whether arising in law, in equity, in contract, or in tort, including, without limitation, any implied warranty of merchantability, design, condition, or fitness for a particular purpose.

6 Months / 250 Hours	12 Months / 500 Hours	3 years / 1,500 Hours	12 months / 1,000 Hours
Blower Motors	Air Reservoirs	Landing Gear Assemblies	Governors
Brake Assemblies	Blow Down Bottles		Propellers
Cabin Comfort Controls	Elevator Tab Actuators		
Emergency Lights & Power Supplies	Fire Extinguishers		
Fire Test Panels	Flap Actuators		
Flap Motors & Gearboxes	Landing Gear Actuators		
Flight Controls	Landing Gear Gearboxes		
Hydraulic Power Packs	Main Gear Drag Braces		
Landing Gear Motors	Nose Gear Drag Braces		
Landing Lights	Oxygen Bottles		
Rotating Beacons	Oxygen Regulators		
Strobe Lights, Power Supplies & Timers	Reduction Units		
Tach Generators	Wheels		
Voltage Regulators	Shimmy Dampers		

The foregoing warranty shall only apply if all of the following conditions are met:

1. The Product subject to the warranty claim, along with all information reasonably requested by Seller, has been returned to Seller as soon as reasonably possible and no later than thirty (30) calendar days of Product failure date, at Customer's sole risk and cost. Products must be returned in "as removed condition," D.D.P. (Incoterms 2017) to Seller's designated location and must be accompanied by a Return Materials Authorization ("RMA") requested by Customer and issued by Seller in advance.
2. No substitute parts shall have been installed in the Product without prior written authorization from Seller.
3. The Product shall not have been disassembled, repaired, or altered outside of Seller's place of business without prior written authorization from Seller.
4. The Product shall not have been subject to misuse, accident, or improper installation unless proof is submitted to the satisfaction of Seller, and Seller determines in its reasonable discretion, that such abuse was not a cause for the claimed defect.

VIII. Returns

Non-Warranty returns will be granted, if at all, in Seller's sole and absolute discretion. Customer must request the consent of Seller in advance for any such returns, and the returned Product must be accompanied by an RMA issued in advance by Seller. Products returned to Seller must be unused and in the condition shipped by Seller with all documentation included with the original shipment, and shall be returned D.D.P. (Incoterms 2017) Seller's designated location. Any returns will be subject to a restocking fee as determined by Seller in its sole discretion.

IX. Applicable Law/Exclusive Venue

These terms and conditions shall be governed and construed in accordance with the laws of the state of Kansas. The sole and exclusive venue for any actions arising from or relating to purchase and sale of a Product or these General Terms and Conditions of Sale shall be the appropriate state or federal court located in Sedgwick County, Kansas and both parties hereby submit to the exclusive jurisdiction of same. Seller may file suit in any jurisdiction it deems reasonably necessary to enforce its rights hereunder or collect any judgment against Customer and Customer hereby agrees to submit to the jurisdiction of any such court.

X. Limitations, Exclusions, and Indemnity

1. THE SOLE RESPONSIBILITY AND LIABILITY OF SELLER AND CUSTOMER'S EXCLUSIVE REMEDY FOR ANY CLAIM, EXPENSE, DAMAGE, LIABILITY, OR COST ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY SALE OF A PRODUCT TO CUSTOMER, THE PERFORMANCE OR BREACH OF ANY CONDITION OR WARRANTY BY SELLER HEREUNDER, OR FROM THE MANUFACTURE, DELIVERY, OR USE OF THE PRODUCT BY CUSTOMER OR ANY THIRD PARTY SHALL BE THE REPAIR OF, OR REPLACEMENT OF, OR CREDIT FOR THE DEFECTIVE PRODUCT AT SELLER'S OPTION. FOR THE AVOIDANCE OF DOUBT, THE CEILING LIMIT OF SELLER'S LIABILITY TO CUSTOMER IN CONNECTION WITH OR ARISING FROM SALE OF A PRODUCT OR CUSTOMER'S USE OF A PRODUCT SHALL, IN ANY EVENT OR CIRCUMSTANCE, BE THE PRICE PAID BY CUSTOMER FOR THE RELEVANT PRODUCT.
2. IN NO EVENT, WHETHER AS A RESULT OF A BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR LOST PROFITS DAMAGES OR EXPENSES OF ANY KIND OR NATURE, INCLUDING BUT NOT LIMITED TO, COSTS OF REMOVAL AND REPLACEMENT OF THE PRODUCT(S), LOSS OF PROFIT, GOODWILL, OR REVENUES, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, DAMAGE TO ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE PRODUCTS, FACILITIES, OR SERVICES, DOWNTIME, OR COSTS OR CLAIMS OF THIRD PARTIES FOR SUCH DAMAGES OR EXPENSES.
3. THE LIMITED WARRANTY OF SELLER DESCRIBED IN SECTION VII OF THESE TERMS AND CONDITIONS IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES WHETHER WRITTEN, ORAL IMPLIED, OR STATUTORY. SELLER MAKES NO GUARANTEE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING, OR USAGE OF TRADE OTHER THAN EXPRESSED IN THESE TERMS AND CONDITIONS AND/OR STATED ON THE FAA 8130-3 FORM PROVIDED WITH THE ARTICLE.
4. SELLER SHALL NOT BE LIABLE TO CUSTOMER FOR, AND CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS AGAINST, ANY CLAIM FOR EXPENSE (INCLUDING ATTORNEYS' FEES), DAMAGE, LIABILITY, OR COST MADE AGAINST SELLER BY ANY THIRD PARTY ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY SALE OF A PRODUCT TO CUSTOMER, THE PERFORMANCE OR BREACH OF ANY CONDITION OR WARRANTY BY SELLER HEREUNDER, OR FROM THE MANUFACTURE, DELIVERY, OR USE OF A PRODUCT BY CUSTOMER OR ANY THIRD PARTY, WHETHER BASED UPON A THEORY OF STRICT LIABILITY OR OTHERWISE, AND REGARDLESS AS TO THE ACTUAL OR ALLEGED NEGLIGENCE OF SELLER.

5. THE RIGHTS AND OBLIGATIONS PROVIDED IN THIS SECTION X, INCLUDING, WITHOUT LIMITATION, THE LIMITS OF SELLER'S LIABILITY AND THE INDEMNIFICATION AND HOLD HARMLESS OBLIGATIONS OF CUSTOMER, SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THESE TERMS AND CONDITIONS FOR ANY REASON AND SHALL BE BINDING UPON CUSTOMER'S SUCCESSORS AND PERMITTED ASSIGNS.