



SALES ORDER TERMS AND CONDITIONS

avmats.com/terms/aes-so-terms.pdf

- 1. General.** All Parts sold by Aviation Turbines International, Inc., d/b/a AVMATS Engine Support ("AVMATS") to the customer identified on the AVMATS Sales Order or Invoice ("Customer") are specifically subject to the terms identified on the AVMATS Sales Order or Invoice and the latest version of AVMATS Sales Order Terms and Conditions as of the order date ("Agreement"). AVMATS' acceptance of any purchase order shall be conditioned upon Customer's specific consent to this Agreement, which consent shall be deemed given by placing any written order for engine(s), engine part(s), auxiliary power unit(s) (APU), APU part(s), airframe part(s), components, accessories, material or services ("Parts") from AVMATS. No modification, addition, or different conditions, whether contained in a Customer purchase order or any other communication from Customer, shall be recognized or bind AVMATS, unless specifically agreed to in a writing signed in ink by an officer of AVMATS. The failure of AVMATS to object to any such conditions shall not be a waiver or an acceptance of any such conditions. The Customer agrees this Agreement constitutes the entire agreement of the parties, and supersedes and replaces all prior negotiations, discussions, communications, understandings, and agreements between the parties relating to the Parts, all of which shall be deemed replaced entirely by this Agreement.
- 2. Payment.** Payment terms are net cash upon delivery of Parts to Customer Ex Works AVMATS dock, without set off unless otherwise agreed in writing by AVMATS. Customer's obligation to pay shall not be contingent upon Customer's receipt of payment from any other party. Each invoice rendered by AVMATS to Customer ("Invoice") shall be deemed an account stated, and correct, acceptable and binding upon Customer in accordance with Missouri law, unless AVMATS shall receive a written objection within ten (10) calendar days after such Invoice is rendered. Customers shall not withhold from AVMATS, for any reason whatsoever, any such account stated on any Invoice. There shall be a delinquency charge of 1½% per month on all amounts remaining unpaid thirty (30) days after Invoice date, if not prohibited by law, otherwise at the highest lawful contract rate. If AVMATS refers an unpaid Invoice to an attorney for collection, Customer agrees to pay all of AVMATS expenses of collection, including a reasonable attorney's fee. AVMATS reserves the unilateral right to alter, suspend, or change any credit terms extended to Customer, when in AVMATS sole opinion, the financial condition of the Customer so warrants. Customer's failure to pay any Invoice at maturity date automatically makes all subsequent Invoices immediately due and payable regardless of previous terms. AVMATS reserves the right to suspend performance under any orders on overdue accounts until the full account is settled. Acceptance by AVMATS of less than full payment shall not be a waiver of any of its rights under this Agreement. All payments shall be sent to the address specified on the Invoice.
- 3. Cancellation.** An order once placed with AVMATS may be cancelled or terminated only with the express written consent of AVMATS, and upon such terms as will fully indemnify AVMATS against any loss, damage, restocking fees and expenses arising from such cancellation or termination.
- 4. Duty to Inspect.** Customer shall inspect each Part or assembly immediately upon delivery and notify AVMATS of any defect or damage to the Part(s) within ten (10) calendar days thereof. Any claim from inspection shall be subject to the terms and conditions of AVMATS Warranty as Customers sole and exclusive remedy.
- 5. Additional Billing.** ANY PART(S) SOLD "EXCHANGE" INVOLVE A TEMPORARY REDUCTION OF THE OUTRIGHT SALES PRICE CONTINGENT UPON RECEIPT OF A CORE REQUIRING NORMAL OVERHAUL OR REPAIR FROM CUSTOMER. CUSTOMER AGREES ANY PART SOLD EXCHANGE IS SUBJECT TO ADDITIONAL BILLING UP TO THE DIFFERENCE BETWEEN THE EXCHANGE PRICE AND THE OUTRIGHT SALES PRICE FOR THE PART BASED SOLELY ON A CORE EVALUATION AFTER RECEIPT BY AVMATS. PAYMENT FOR THE DIFFERENCE BETWEEN THE EXCHANGE PRICE AND THE OUTRIGHT SALES PRICE SHALL BE DUE FOR CORES NOT RECEIVED BY AVMATS WITHIN 30 CALENDAR DAYS OF INVOICE DATE. CUSTOMER AGREES TO PROMPTLY PAY ANY ADDITIONAL BILLING INVOICES. UNLESS TERMS ON THE SALES ORDER OR INVOICE INDICATE OTHERWISE, PART(S) IDENTIFIED AS "FLAT RATE EXCHANGE" WILL NOT BE SUBJECT TO ADDITIONAL BILLING.
- 6. Delivery and Delays.** Quotes for Part(s) are valid for thirty (30) calendar days from issuance and are subject to prior sale and availability. AVMATS may cancel any order or any part of an order without penalty, and AVMATS's sole obligation shall be to return any payment made by Customer. AVMATS delivery dates are merely estimated delivery dates and are not guaranteed. AVMATS shall not be responsible or liable for any non-performance or delay, arising directly or indirectly from and including, but not limited to, the non-availability of parts, materials, or components from suppliers, vendors, subcontractors, failure of Customer to make payments or return of cores when due according to this Agreement, lack of transportation, fires, floods, explosions, strikes, or other accidents, incidents, mechanical breakdown, any foreign or domestic embargoes, seizures, acts of God, war, terrorism, enactment of any law, or regulation, interfering or rendering more burdensome the delivery or performance hereunder, and causing delay beyond AVMATS reasonable control. AVMATS delivery date shall be extended commensurate with any such delay(s).

7. Taxes and Other Charges. AVMATS prices do not include sales, use, manufacturers, retailers, occupation, excise or other taxes, fees, duties, tariffs or charges imposed by any governmental authority on any transaction between AVMATS and Customer. Customer shall furnish evidence of any tax exemption and warrant the validity and accuracy thereof. Customer shall pay any tax, fee, duty, tariff or other charge if advanced by AVMATS. Environmental charges, handling, and freight charges incurred in connection with any orders shall be paid by Customer. Any labor performed by AVMATS shall be performed in accordance with its standard published rates.

8. Indemnification. Customer agrees to enter and defend, indemnify and hold AVMATS, its employees and agents, harmless from all loss or damage to Customer's aircraft or Parts, any property damage or bodily injury of third parties, including reasonable attorney's fees, for any reason or cause whatsoever, except to the extent such damages are determined in a final judicial action to be solely, directly and proximately caused by the negligence of AVMATS.

9. Course of Prior Dealing, Applicable Law. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain this Agreement. Acceptance or acquiescence in a course of performance shall not be relevant, even though the accepting or acquiescing party has knowledge of the nature of the performance, and the opportunity for objection. The rights and obligations of AVMATS and Customer shall be governed under the laws of the State of Missouri. Any dispute or claim arising out of or relating to this Agreement that is not resolved through discussions between the parties shall be resolved in the Circuit Court of St. Louis County, Missouri. The U. N. Convention on Contracts for the International Sale of Goods (frequently referred to as "UNCISG") shall not apply.

10. Liens and Remedies. To secure Customer's obligations of full payment to AVMATS, Customer grants AVMATS a security interest in all Parts being sold by AVMATS until all Invoices pertaining thereto are fully paid. Customer shall execute any other document, including a financing statement or document similar to the UCC-1, necessary to perfect AVMATS's security interest in the Parts. Customer authorizes AVMATS to file at Customer's expense any financing statement relating to the Parts without Customer's signature, except where prohibited by law. AVMATS security interest shall be in addition to the liens under common law, including the common law repairman's possessory lien, and any other liens under the laws of the state of Missouri. All of AVMATS' rights and remedies are cumulative and in addition to all other rights or remedies provided by Missouri law and equity. AVMATS waiver of any breach of any provision hereof shall not constitute a waiver of any other breach.

11. Limited Warranty. Unless Part(s) are sold in "as-is" condition, AVMATS separate written limited warranty, incorporated as if fully stated herein, and located at avmats.com/warranty/aes-warranty.pdf ("Warranty") shall apply. The Warranty shall commence on the Invoice date. The Warranty shall be the sole and exclusive warranty covering all Part(s) supplied by AVMATS, and is in lieu of all other express and implied warranties whatsoever, including, but not limited to, implied warranties of merchantability and fitness for any particular purpose.

12. Limitation of Liability. NO PENALTY OR LIQUIDATED DAMAGES CLAUSE OF ANY DESCRIPTION SHALL BE EFFECTIVE OR BINDING UPON AVMATS, UNLESS SPECIFICALLY APPROVED IN WRITING BY AN OFFICER OF AVMATS. NOTWITHSTANDING ANY PROVISION HEREIN ABOVE TO THE CONTRARY, IN NO EVENT SHALL AVMATS BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNATIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO, LOST REVENUE OR PROFITS, LOSS OF USE, COST OF REPLACEMENT AIRCRAFT, BUSINESS INTERRUPTION, OR DIMINISHED VALUE ARISING OR CLAIMED TO ARISE OUT OF THE PARTS, EVEN IF AVMATS HAS BEEN ADVISED OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES. AVMATS' MAXIMUM CUMULATIVE LIABILITY, INCLUDING THOSE RESPECTING DIRECT DAMAGES AND OBLIGATIONS UNDER ANY INDEMNITY OR RIGHT OF CONTRIBUTION, SHALL NOT EXCEED THE PRICE PAID TO AVMATS FOR THE PARTS.