

SLS Aerospace LLC - TERMS AND CONDITIONS

- 1. ACCEPTANCE.** Buyer's purchase order, by mail, fax telephone or email, is accepted subject to the following terms and conditions and others unless consented to in writing by the SLS Aerospace LLC (the seller). The placing of the order by the Buyer shall be conclusive evidence of the Buyer's approval of and consent to the terms and conditions herein contained.
- 2. PRICES.** All prices are from point of Seller's origin including regular commercial packaging, documentation as applicable (airworthiness, export, MSDS, etc.), packing list, commercial invoice and made available to the selected carrier. Prices do not include transportation, special packaging, insurances, taxes, duties, imposts, or other similar charges.
Prices quoted as estimated or budgetary mean an approximate calculation only. In such case the final price may exceed the estimated or budgetary price.
- 3. PAYMENT.** All payments shall be made in accordance with the terms set forth on the Seller's packing list/invoice. Customer must advise seller of any dispute concerning Seller's invoice within 30 days of the invoice issue date. No dispute will be accepted by Seller beyond 30 days after the invoice date. The final transfer of ownership of the Part to the Customer occurs when full payment is made by the Customer.
- 4. SHIPPING TO BUYER.** Shipping by Seller will be done to Buyer's instruction utilizing the freight carrier of the Buyer's choice. Seller's shipping and related expenses beyond price list quotation will be billed to the Buyer. **RISK OF LOSS/PLACE OF DELIVERY-** Unless otherwise expressly agreed in writing, risk of loss, damage, or destruction to the parts and/or materials shipped by the Seller shall pass to Buyer at the time such parts are placed in the possession of the selected carrier.
- 5. PERFORMANCE/DELIVERIES.** Seller shall not be liable for delays in delivery, performance, or failure to perform, manufacture, or deliver due to causes beyond its reasonable control such as and not limited to: acts of Buyer, acts of civil or military authority, fires, strikes, delays in transportation, shortages, or other difficulties beyond its reasonable control to obtain necessary labor, materials, utilities, components or manufacturing facilities. In the event of any such delay, the date of performance/delivery shall be extended for a period of time as may be necessary to compensate for such delay.
- 6. DOCUMENTATION.** Buyer shall be responsible for identifying the required import, environmental, airworthiness documentation.
- 7. WARRANTY.** Seller warrants new, exchange, and Customer Owned repaired parts, hereafter referred to as parts, sold by SLS Aerospace LLC shall be free from defects in material and workmanship for the period outlined below. These warranties shall apply to the initial Buyer of the part only.

- a. Duration** – The warranty covering new, overhauled, repaired, modified and functional tested parts sold by SLS Aerospace LLC shall be for a period of 12 months commencing on the date the part was shipped to the Buyer or 1000 hours of use, whichever comes first. The warranty covering inspected parts will be 30 days. As removed and core parts sold by SLS Aerospace LLC will not be covered under warranty. The warranty covering Customer Owned repaired parts shall be for a period of 90 days from the repair. Special warranty terms such as shortened or extended warranties outside of the aforementioned will be specified in writing on SLS Aerospace LLC documentation, i.e. sales order, quote, invoice.
- b. Seller’s Obligation** – During the duration of this warranty the obligation of the Seller is limited to, at the Seller’s option, (1) the repair of the defective part or (2) the replacement of the defective part with a new, overhauled or repaired part. In the case of repairs to Buyer owned equipment, warranty will be limited to the work scope performed under the repair order.
- c. Buyer’s Obligation** – The Buyer shall notify the Seller of any defect in writing by sending a detailed Service Report/Warranty Claim within 10 days after its discovery. The Buyer shall return the defective part with a completed service report within 14 days after the shipment date of the replacement part. If the defective part is not returned in the 14 day timeframe, the Seller reserves the right to invoice Buyer a) at the current daily rental rate starting at day 14 through day 30 b) after day 30 the transaction is changed to the current straight sale price. Buyer agrees to assume round trip transportation costs for the defective or non-conforming articles to and from the Seller’s facility. Buyer must furnish pertinent aircraft operational and/or maintenance records and logs as requested by the Seller, so that the cause of the defect and/or the date of installation of the defective article can be ascertained.
- d. Exclusions** – Seller’s warranty does not apply to:
- 1) Parts which are not maintained operated or repaired in accordance with the procedures recommended by the OEM (Original Equipment Manufacturer or the part manufacturer in question).
 - 2) Parts which are commonly referred to as “wear and tear” and consumable items such as tires, brake pads, rotors, stators, heat packs, bulbs, hardware, filters, hoses, upholstery, and soft trim appearance items.
 - 3) Parts whose manufacturer’s identification tag is removed or cannot otherwise be identified.
 - 4) Parts which were damaged or otherwise became defective as the result of an incident or accident involving the aircraft on which they were installed.
 - 5) Parts which became defective due to corrosion resulting from improper servicing or maintenance.
- e. Special Notes**

- 1) The Seller is not liable for any labor costs associated with the troubleshooting, removing or replacing of the defective part.
- 2) Replacement parts supplied by the Seller shall have the same remaining warranty period as the defective part returned by the Buyer.
- 3) Warranty duration shall not extend beyond the scheduled TBO (Time between Overhaul) of a given part.
- 4) The Seller's warranties shall not be altered, amended, or modified in any way without the express prior written consent of the Seller.
- 5) Unless otherwise agreed, and except as may be necessary to comply with these warranties, the Seller reserves the right to make changes in its products without any obligation to incorporate such changes in any product supplied, manufactured, overhauled or repaired previously.

f. Disclaimer – THE SELLER MAKES NO OTHER OR FURTHER WARRANTY, EXPRESSED, IMPLIED OR STATUTORY AND HERE BY SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. EXCEPT AS STATED HEREIN, THE SELLER SHALL NOT BE LIABLE FOR ANY DIRECT OR CONSEQUENTIAL DAMAGES WHICH MAY ARISE OUT OF THE SALE OR USE OF THE PART WHICH IS SOLD OR OTHERWISE SUPPLIED TO THE BUYER BY THE SELLER.

8. **CANCELLATIONS.** Buyer shall be permitted to cancel orders placed with Seller provided: (A) Seller authorizes such cancellation, and (B) such cancellation notice is received prior to the shipment of the parts or goods by Seller. No cancellation charge shall be assessed against the Buyer unless Seller is charged or penalized for such cancellation by its vendor. In that event, Buyer shall be responsible for reimbursing Seller the full amount of any such charge or penalty.
9. **RETURNS.** Upon receipt, Buyer shall inspect the goods and immediately notify Seller of any non conformance with the contract, and shall afford the Seller a reasonable opportunity to correct any actual non conformance. All sales are final; no goods shall be returned without prior consent of the Seller expressed by a RETURN MATERIAL AUTHORIZATION approval number. The following conditions shall apply:
 - a. Goods must be accompanied by all Seller supplied documentation including but no limited to airworthiness documents, ID tags, etc.
 - b. Goods must be returned with a "Letter of Non Use" signed by the Quality Control Department or a licensed A&P technician on Company letterhead.
 - c. Seller may assess a recertification charge of 15% with a minimum of \$500 per invoice.
 - d. Seller may assess a recertification charge for any item that is received that has been installed or unused for troubleshooting or if "unused" without a Letter of Non-Use.
 - e. Buyer shall be responsible for any charge or penalty assessed by the Seller's vendor for returned goods.
 - f. The returned goods must be received within 21 days after the original shipment date to the Buyer. No return will be accepted after 21 days.

- g. Failure to comply with any of the above returned goods conditions may result in the Seller's refusal to accept the returned goods.

10. EXCHANGE TRANSACTIONS. Worn exchange cores must be returned, freight prepaid with a completed core return form to the Seller's facility identified on the Seller's original packing list within 14 days from the date of the original shipment. Delay in accomplishing a timely return or a return with an incomplete core return form will result in the following charge a) daily rental commencing the day 14 through day 30 b) after day 30 the transaction is changed to the current outright sale price. No exchange core will be accepted after 30 days without prior approval.

In the case of COD accounts, core charge will be billed up front and returned to the Buyer once the core has been evaluated and deemed to be acceptable.

OVER & ABOVE CHARGES:

- a. Over and above charges may become applicable in the case of a worn exchange core being returned damaged or missing parts.
- b. Over and above charges may also be assessed by the Seller in the case where the worn exchange core is of a previous mod or amendment status than that of the original part that was shipped to Buyer.
- c. In the case of cost plus overhaul exchanges, an exchange fee will be charged up front and actual repair or overhaul charges will be billed at a later date.
- d. Over and above charges will be assessed in the case where the returned worn exchange core or components are "time life expired." In this case the then outright price will be applicable to the replacement of the sub component or the complete worn exchange core.
- e. Over and above charges may be assessed by the Seller if the Buyer's worn exchange core requires a major part and/or rework in excess of normal overhaul or repair.
- f. Buyer agrees to pay for all over and above charges as defined above. In no case shall over and above charges exceed the current new outright straight sale price for the part or item supplied.

TITLE. Buyer warrants to Seller that it has good and marketable title to the returned part and that such title is free and clear of any and all liens, claims, and encumbrances of any kind. Seller warrants to Buyer that it has good and marketable title to the supplied exchange part and that such title is free and clear of any all liens, claims and encumbrances of any kind.

11. RENTAL TRANSACTIONS. Rented tools, parts, and equipment must be returned freight prepaid the Seller's facility identified on the Seller's original packing list. The returned item shall be in the same condition as when originally shipped by Seller less reasonable wear and tear. The cost to repair or replace damaged or lost items shall be charged to the Buyer. Buyer agrees to pay the full outright sales price for lost or destroyed items.

Daily Rental. The rental term shall commence on the date the rented item is shipped from Seller's facility and shall terminate on the date it is received by Seller. Buyer shall be charged the daily rental rate during the rental term.

Flat Rate Rental. Flat rate is only available if repair or overhaul of Buyer's equipment is managed by Seller. Flat rate rental charges will be changed to daily rental charges if rented item is returned more than 5 days after Buyer's receipt of their repaired or overhauled property.

Title. Title to the rented item shall remain in Seller during the entire rental term. Buyer shall not permit any liens, claims or encumbrances of any kind to be asserted against the rented item during the term of the rental.

12. **REPAIR/OVERHAUL TRANSACTIONS.** Repair or overhaul transactions performed by Seller or its approved repair agent on Buyer owned equipment shall be charged for the amount billed by the repair agent plus a repair management charge. Seller will notify Buyer of repair or overhaul quotation exceeding the price of the Buyer's purchase order or the economic value of Buyer's property. If authorization to repair/overhaul is not received by Seller within 5 days after such notification, Buyer's property will be returned in "as is" condition. Buyer is then responsible for any vendor teardown and/or evaluation charges.
13. **APPLICABLE LAW.** The law of TEXAS shall govern any and all disputes which arise between Buyer and Seller in connection with any of the transactions described in this document.