

Invoice Terms and Conditions

1. **Condition.** All units are new (i.e. purchased from an OEM or authorized distributor) unless otherwise marked.
OH Overhauled Certified as overhauled
SV Serviceable or Repaired Certified for return to service after repair and/or testing
Certified means a maintenance release tag from a FAA certificated repair facility is attached to the unit.
2. **Terms and Conditions.** Unless otherwise set forth in a written agreement between the parties hereto (each a “party” and collectively the “parties”), no terms and conditions, other than the terms and conditions set forth in this Invoice (including any terms and conditions on any document attached to or incorporated by reference to this Invoice), shall be binding on DAC International Inc. (the “Seller”). These terms constitute an offer by the Seller to sell the Products in accordance with the terms and conditions contained herein. Therefore, acceptance by the Seller of any order placed by a Buyer (e.g., a “Sales Order”) for goods and services; including but not limited to, DAC’s Spare Parts, Repair and Overhaul Services, Ground Support Equipment, and Technical Field Support (collectively the “Products”), is expressly made conditional upon Buyer’s agreement to DAC’s terms and conditions contained herein. Terms and conditions contained in any purchase order or any other documents of the Buyer which differ from or are in addition to the terms and conditions of this Invoice shall not be binding on Seller, whether or not they would materially alter the terms of this Invoice and Seller hereby objects to all such terms. Buyer will be deemed to have assented to all terms and conditions herein if any of the units shipped under this Invoice are accepted, unless Buyer thereafter promptly objects thereto in writing.
3. **Limited Warranty.** Seller hereby assigns to buyer, to the extent it may do so, the warranty of its supplier. A copy of the manufacturer’s warranty, if available has been or on request will be furnished to Buyer. Except as set forth above or on the face of this Invoice. THERE IS NO WARRANTY EXPRESSED, STATUTORILY, IMPLIED, OR OTHERWISE, AND NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, SATISFACTORY QUALITY AND NONINFRINGEMENT AND THEIR EQUIVALENTS WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE). IN NO EVENT SHALL SELLER BE LIABLE FOR ACTUAL, SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF BUYER’S REMEDIES UNDER THESE TERMS FAIL OF THEIR ESSENTIAL PURPOSE. The Seller shall not be liable under this warranty in any of the following events, namely:
 - a) Whenever any Products have not been operated, stored or maintained in accordance with the manufacturer’s and the Seller’s instructions;
 - b) Whenever any Products have been handled, stored, repaired, or altered in any way, which may have impaired its safety, operation or efficiency; and
 - c) Whenever any Products and/or component have been subjected to any abnormal condition, misuse, or neglect.
4. **No Diversion.** If the units are being exported, they are licensed by the United States of America (“U.S.”) for the ultimate destination shipped to, as set forth on the front of this Invoice. Diversion contrary to U.S. law is prohibited. Buyer represents and agrees that it will not sell or reship units to any customer and/or destination which Seller could not have shipped to directly under its export license for the units. No unit may be shipped or transferred to any country that has an embargo placed on it by the U.S. Buyer will comply with all applicable export and import control laws and regulations, including without limitation, the United States Export Administration Regulation (EAR), U.S. Arms Export Control Act, and the U.S. Export Administration Act, and the United States International Traffic in Arms Regulations (ITAR), and will retain documentation evidencing such compliance.
5. **Payments.** All payments shall be made in U.S. currency. Buyer may not set off any sum due Seller under this order from sums, whether or not liquidated, that are or may be due Buyer. The last Product or repair pricing communicated by the Seller for the applicable Product(s) in the accepted Sales Order(s) shall apply. If the purchase price or any part of any Sales Order is not paid by Buyer when due, Buyer shall pay interest at the lesser of 12% per annum or the maximum legal rate, if any, on all sums due from the date due. If collection, lien foreclosure, and/or legal action (including for the registration and enforcement of a lien or pledge) is pursued by the Seller on any past due amounts, including for Products, or any services, the Buyer agrees to pay all costs and fees, including reasonable attorney fees, in collection, foreclosure, and litigation, including any appeals, if action is filed thereon. As collateral security for the full payment of the Sales Order and performance in full of all the obligations of the Buyer under these terms, the Buyer hereby pledges and grants to the Seller, a lien, pledge, and security interest in and to all of the right, title, and interest of the Buyer in, to, and under the Products and any item(s) repaired, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing in the amount of the Seller’s invoices for such items, plus any applicable late payment interest. The security interest granted under this provision constitutes a purchase-money security interest under Chapter 9 of the Texas Uniform Commercial Code.
6. **Cancellation/Returned Goods** – All Sales with Seller are considered final. If the Sales Order or any part of it shall become impossible to perform, or returned by prior approval, Seller shall be entitled to be compensated for a fair and reasonable proportion of the Product price in respect of the work done up to the date thereof. Seller may recoup such amount from any pre-payments made by the Buyer. Such charge may include a restocking charge and/or a cancellation fee. All cancellations must be submitted to Seller in writing.
7. **Indemnification.** Buyer shall indemnify and hold Seller harmless against any and all losses, liabilities, damages, costs, or expenses arising from any and all claims which may be made against Seller by reason of injury or death which are caused by or alleged to have been caused by the use, sale, transfer, or alteration of the “Products”, or relating to the design of the Products (including its packages or containers) if they are made in compliance with Buyer’s design or specifications. Buyer shall also indemnify and hold Seller harmless from any and all damages or losses to Seller’s property which are caused by any act of omission, negligence or otherwise, of Buyer or any subcontractor of Buyer, or of any of Buyer’s employees or agents. These terms benefits solely the Buyer and Seller and any mutually agreed to in writing successors and assigns and nothing in these terms express or implied, confers on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these terms.

8. **Legal Matters.** This invoice shall be governed by the laws of Texas, U.S. The Uniform Law on International Sale of Goods (ULIS) and The Uniform Law on the Formation of Contracts for the International Sale of Goods (ULFIS) shall not apply. Seller may, but is not obligated to, bring an action relating to or arising out of the transaction to which this Invoice applies in the appropriate state or federal court in Texas and Buyer hereby irrevocably consents and submits to personal jurisdiction and venue in any such court. Any action or claim by Buyer with respect thereto shall only be brought in an appropriate state or federal court in Travis County, Texas, U.S. There shall be no right or authority for any claims to be arbitrated or litigated on a class action or consolidated basis or on bases involving claims brought in a purported representative capacity on behalf of the general public (such as an attorney general), other buyers, or other persons similarly situated. Unless Buyer has advised the Seller otherwise, the Buyer consents to receive notice at either the Buyer's headquarters location or the accepted purchase order bill to address. All notices to the Seller concerning these terms shall be sent to the Seller's then-current facility address. The parties irrevocably agree that the procedure for service of process described in this Section shall replace and supersede any other procedure for service of process abroad that otherwise would have applied by applicable law or treaty.
Seller certifies that it has complied with the Fair Labor Standards Act of 1938
No liability shall result from delay in performance caused by force majeure affecting Seller and/or its suppliers.
9. **Taxes.** Unless otherwise specifically designated on the face of this invoice, the prices quoted herein do not include sums necessary to cover the taxes or duties, including but not limited to federal, state or municipal, excise, sale, use taxes or import duties, which taxes or duties shall be paid by Buyer and separately listed as line item(s) on the Product invoice, unless Buyer shall furnish Seller evidence sufficient to sustain an exemption therefrom.
10. **Shipping.** All units are shipped F.C.A. Seller's dock (Incoterms, 2010) unless otherwise specified on the Invoice. Unless shipping instructions accompanied the order for the parts, shipment will be routed at Seller's discretion. Whenever the Seller has shipped parts pursuant to an accepted purchase order, and the Buyer rejects delivery of such goods, the Seller shall be able to store these goods at the Buyer's cost, until the earlier of (i) any mutually agreed re-delivery date(s), or (ii) six (6) months has past and the Buyer has not provided to the Seller any alternate shipping destination or arranged for pickup, in which instances, the Buyer agrees that the Seller may dispose of or resale these goods. Unless otherwise agreed to by the Seller, the resale of goods by the Seller shall not relieve the Buyer's payment obligations for the ordered goods hereunder.
11. **Exchange.** If this is an exchange transaction then in addition to the cash purchase price, Buyer agrees to deliver an economically repairable (i.e. a maintenance release tag of a FAA certificated repair facility, certifying that it is airworthy and conforms to the current applicable revision levels, can be obtained after routine repairs and/or overhaul at a FAA certificated repair facility) equivalent unit (Core Unit) on the terms set forth in this Invoice. Time is of the essence on this contract and the Core Unit must be delivered to Seller by the stated date or the additional charge for the Core Unit set forth on the Invoice will be immediately due and payable. Inspection or failure by Seller to inspect or reject a Core Unit shall not relieve Buyer of its warranties or responsibilities hereunder. By delivering a Core Unit, Buyer represents that the Core Unit has not been subjected to extreme stress or heat (as in major engine failure, accident or fire).
12. **Shortages and Returns.** Claims for shortages must be reported to Seller within ten (10) days of receipt. No goods will be received or credited if returned without prior approval. All returns are subject to a restock fee plus shipping costs. Charges will not apply to goods shipped in error.
13. **Part Equivalency.** If the part number shipped is different from the part number ordered, the part number shipped is either an equivalent or superseding part number, as so indicated on the face of the Invoice, and is based on the part manufacturer's cross-reference documents for equivalent or superseding parts or the specifications for parts standards issued by the applicable standards governing body. Part equivalency is sometimes dependent on the specific application, accordingly determination of the appropriate application of equivalent or superseding parts is the Buyer's responsibility. Seller has not tested any parts or makes any representations or warranties concerning their equivalency.
14. **Proprietary Rights.** Buyer recognizes that the publications, support and other information delivered hereunder constitute or incorporate information which is proprietary to Seller, its affiliates, its licensors and suppliers. All rights not expressly granted by Seller hereunder are reserved, including without limitation, all rights in U.S. or foreign patents. Buyer shall not remove or obstruct any copyright notices or other proprietary notices present on any Seller Proprietary Information. All software of the Seller or its licensors provided with the Product shall be subject to the Seller and/or its licensors standard software license terms, which shall govern all use of such software.
15. **Excusable Delay; Force Majeure.** Seller will make every reasonable effort to ship ordered products in a timely manner. However, Seller will not be liable to Buyer for any failure to meet its obligations due to any cause beyond its reasonable control including, but not limited to, government embargoes or any other government acts that interfere with performance; blockades; seizure or freeze of assets; delays or refusals to grant an export license or the suspension or revocation thereof; fires, floods, severe weather conditions; any other acts of God, quarantines or regional medical crisis; labor strikes or lockouts; riots, strife, insurrection, civil disobedience, armed conflict, terrorism or war (declared or not) or impending threat of any of the foregoing, if reasonably expected to cause injury to people or property; and shortages or inability to obtain materials or components. The due date of any performance affected by such an event will be extended by the period of time that Seller is actually delayed.
16. **Non-Waiver.** Seller's failure to insist upon the strict performance of any term or condition herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder, nor of its right to insist upon the strict performance of the same or any other term herein in the future. No waiver of any term or condition hereunder shall be valid unless in writing and signed by an authorized representative of the Seller.