

Textron Aviation Parts and Distribution - Terms and Conditions

General

These terms and conditions shall govern the purchase of spare parts, ground support equipment, services of repair and overhaul, repair kits, reports, data, specifications, etc. for aircraft ("Aircraft Support Items") from TAI subsidiaries (referred to in these Terms and Conditions as "Textron Aviation Parts and Distribution" or "TAPD") and shall be incorporated into any purchase order(s) issued to TAPD by you for Aircraft Support Items. The placement of an order by you shall constitute your acceptance of these terms and conditions. Any terms or conditions proposed by you inconsistent with or in addition to these terms and conditions shall be void and of no effect, unless specifically agreed to by TAPD. These terms and conditions may be changed by TAPD from time to time, in its discretion, and by purchasing from TAPD you agree to any amended terms and conditions. These terms and conditions are variously referred to as these Terms and Conditions or Agreement.

Taxes

The prices set forth in individual purchase orders issued by you for Aircraft Support Items will include all federal, state and local taxes imposed by the United States Government, any U.S. state or local government, or any agency, authority or department thereof. Such prices do not include any taxes, import duties or similar fees which may be levied or imposed upon the Aircraft Support Items or this Agreement or transaction by any other country, state, local or equivalent government, or any agency, authority or department thereof. Any such taxes, import duties or similar fees levied or imposed by any other government or any agency or department thereof shall be your sole responsibility. Therefore, any such taxes, import duties or similar fees shall be added to the price of the Aircraft Support Items unless you provide TAPD with an appropriate exemption certificate. You agree to indemnify and hold TAPD harmless from and against the payment or imposition of any such taxes, import duties or similar fees.

Delivery and Insurance

Delivery terms shall be EX Works, TAPD warehouse. Partial and immediate delivery of Aircraft Support Items shall be permitted at TAPD's sole discretion. Title and risk of loss and/or damage with respect to Aircraft Support Items shall pass to you upon delivery at TAPD's warehouse or upon delivery to the shipping carrier. If you wish to insure the shipment, you should arrange for shipment on your own account and for insurance. When an order is for two or more items TAPD may, at its discretion, ship either in lots or in a single shipment.

Delivery Delays

Delivery and shipping dates are estimates. Under no circumstances shall TAPD be liable for any delay or failure in the delivery of Aircraft Support Items, or for any damages suffered by you by reason of such delay or failure, when the delay or failure is directly or indirectly caused by or in any manner arises from acts of God; acts of public enemies; the elements; fires; floods; accidents; riots; wars; actions or inactions of government; acts of terrorism; labor difficulties; inability to secure, delay in securing or shortages of raw materials, labor, fuel, power or transportation, delay or failure of any supplier; breakdown or destruction of plant or equipment arising from any cause whatsoever; or any other cause or causes (whether or not similar in nature to any of those specified) beyond TAPD's reasonable control. In no event shall TAPD be liable for any consequential damages, incidental damages, damages for loss of use or damages for loss of profits for any delay or failure in delivery regardless of the reason.

Packing and Shipment

You agree to promptly and thoroughly inspect all shipments immediately after delivery. You shall notify TAPD in writing within five (5) business days after the delivery of any product of any damage to the Aircraft Support Items or error in the shipment. TAPD reserves the right to refuse to adjust any errors in shipment or damage to the Aircraft Support Items in the event the foregoing procedure has not been followed. You shall within five (5) business days after delivery notify TAPD in writing of any other nonconformity of the Aircraft Support Items which is reasonably discoverable upon delivery. All nonconformity of Aircraft Support Items not reported to TAPD as required by this section shall be deemed forever waived.

Prices and Payment

Prices quoted are for in stock parts only and prices for backordered parts may be subject to change. All orders are accepted subject to TAPD's price in effect at time of shipment. Payment is due immediately upon receipt of pro forma billing or by due date shown on the TAPD invoice. In no event shall you set off any payment due with any claim TAPD owes you, whether related to this purchase or any other transaction. Your payments shall be made by either check or interbank wire transfer directly to TAPD's bank account, as shown on the pro forma billing or the TAPD invoice. If any payment due to TAPD from you is delayed by more than sixty (60) calendar days beyond the date of invoice, then the balance due is subject to interest at a rate equal to the higher of (a) 1.25 times the monthly prime interest rate charged by Bank of America of New York, New York, during the period of time such payments remain unpaid; or (b) the highest rate allowed by law. You grant, with respect to the Aircraft Support Items delivered to you, a purchase money security interest and in all accession and proceeds thereof. This purchase money security interest shall be effective until you have made payment in full.

Credit Cards

You may pay for your orders with the following major credit cards: Visa®, MasterCard®, American Express® and Discover®, as well as Visa® and MasterCard® debit cards. Credit and debit cards are charged when the items are in stock and shipped. In the event any item is placed on backorder, you will be notified of the backorder, and the charge related to the backorder will be charged to your credit or debit card only when that item is shipped.

Changes

TAPD shall have the right, without your consent, to make changes in the Aircraft Support Items and to substitute equivalent equipment, accessories or material where such changes or substitutions are deemed necessary by TAPD; provided that such changes or substitutions shall not adversely affect the price, time of delivery or performance of the Aircraft Support Items, nor significantly affect its design, performance, weight or balance; and provided further that, in the event such changes or substitutions are for any reason not accepted by you, you shall be permitted to return the changed or substitution equipment, accessories or material to TAPD and receive a full credit against its purchase provided that the changed or substitution equipment, accessories or material has not been installed on any aircraft, in which event any right of repair or return shall be governed by the TAPD Limited Warranty described below. TAPD shall advise you of any changes to Aircraft Support Items ordered by you and shall provide the reasons for such change. TAPD shall notify you of any such changes and the reasons for the changes as soon as reasonably possible and shall endeavor to do so prior to delivery of the items. TAPD's notice to you may be provided by U.S. mail, telefacsimile, telephone or by e-mail.

Paperwork Provided

TAPD does not supply manufacturer's certifications for Aircraft Support Items. Lot or batch numbers are not provided unless the Aircraft Support Item is a color or serialized part.

Waiver

The failure of TAPD to enforce any right or remedy provided in these Terms and Conditions or any other agreement between the parties, or by law, on a particular occasion shall not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

Severability

A finding that any provision of these Terms and Conditions is invalid or unenforceable in any jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement or the validity or enforceability of that provision in any other jurisdiction.

Assignment and Delegation

You are not permitted to assign any right or interest in the sale of Aircraft Support Products hereunder without the prior written permission of TAPD, nor may you delegate any of your obligations or the performance of any of your obligations, without the prior written permission of TAPD. Any attempted assignment or delegation shall be wholly void and totally ineffective for all purposes unless made in conformity with this section. TAPD shall have the right to assign this Agreement or any related purchase order and its obligations thereunder to any affiliate of TAPD or any successor to substantially all of the assets of TAPD. In the event of a proper assignment, this Agreement shall be binding upon and inure to the benefit of either party's successors or assigns.

Third Party Rights

Notwithstanding any provision of law, no third party shall have any right to enforce this Agreement or any other contractual rights against TAPD or its affiliates, except as explicitly set forth in these Terms and Conditions.

Limitation of Liability

TO THE EXTENT ALLOWED BY LAW, TAPD SHALL NOT BE LIABLE FOR ANY GENERAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR LOSS OF USE, LOSS OF PROFITS OR DIMINUTION OF MARKET VALUE, AND TAPD SHALL NOT BE LIABLE FOR ANY DAMAGES CLAIMED BY YOU OR ANY OTHER PERSON OR ENTITY UPON THE THEORIES OF NEGLIGENCE OR STRICT LIABILITY IN TORT AS A RESULT OF TAPD'S PERFORMANCE UNDER THESE TERMS AND CONDITIONS AND THE PURCHASE ORDER TO WHICH THEY ARE ATTACHED.

Governing Law and Venue

The parties expressly agree to exclude from this Agreement the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto. The laws of the State of Kansas, United States of America, excluding choice of law principles, as effective and in force on the date of the purchase order to which these terms and conditions attach shall govern and construe any and all issues relating to the sale of the Aircraft Support Items by TAPD to you. Venue, or the place in which you may bring a law suit, for disputes about these terms and conditions shall be in the State District Court of Sedgwick County, Kansas, or the United States District Court for the District of Kansas in Wichita, Kansas. By ordering Aircraft Support Items you agree to such jurisdiction and venue, and you give up the right to select venue in any other forum.

Export

The Aircraft Support Items and data covered by this Agreement may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations (EAR) promulgated thereunder (15 CFR 768 – 799), the U.S. Arms Export Control Act (22 USC 2778 et seq.), the International Traffic in Arms Regulations (ITAR) (22 CFR 120 – 128 and 130) and non-U.S. export laws and regulations.

The parties acknowledge: (1) these U.S. statutes and regulations impose restrictions on the import from and export to countries outside the United States of America of certain categories or articles and data; (2) licenses from the U.S. Department of State and/or the U.S. Department of Commerce may be required before such articles and data can be exported; (3) these licenses may impose additional restrictions on use and further disclosure of such articles and data; and (4) the disclosure of such articles and data to foreign persons is subject to these statutes, regulations, license requirements, and restrictions regardless of whether the export occurs in the United States of America or abroad.

The parties represent and warrant that no Aircraft Support Items or data subject to this Agreement will be imported, exported, or re-exported contrary to these statutes and regulations and applicable non-U.S. import and export laws and regulations. You indemnify TAPD from and against the consequences of your failure to comply with the above stated U.S. export laws and regulations. Diversion of the Aircraft Support Items contrary to U.S. law is strictly prohibited.

Anti-Corruption Compliance

In the event you resell the Aircraft Support Items outside of the United States, you certify that neither you nor any of your officers, employees or representatives have paid, offered to pay or promised to pay, or authorized the payment of, directly or indirectly through any other person or firm, anything of value (in the form of compensation, gift, contribution or otherwise) to: (a) any person or entity employed by or acting for or on behalf of any other purchaser, whether private or governmental, for the purpose of inducing or rewarding any favorable action by such purchaser in connection with this transaction; or (b) any government official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action or the exercise of influence by such official, party or candidate in connection with this transaction. You indemnify and hold harmless TAPD and its affiliates for any losses or claims arising out of or related to your failure to comply with the provisions of this section.

Textron Aviation Spare Part Warranty

A. Textron Aviation Spare Part Limited Warranty:

(1) Subject to the limitations and conditions below, Textron Aviation provides a Spare Part Warranty for each new and exchange spare part sold by Textron Aviation to be free from defects in material and workmanship; provided, however, that the defect must be discovered and reported within a period of six (6) months from date of installation, and the claim must be filed and part returned to Textron Aviation within thirty (30) days of discovery of the defect.

(2) The entire extent of Textron Aviation's liability shall be limited to repairing or replacing with an exchange part (if available) at Textron Aviation's sole discretion, any replacement part or assembly within the 6-month warranty period. The flat rate labor established by Textron Aviation necessary to remove the part from the aircraft and reinstall it will also be covered by this Limited Warranty, provided the work is performed at a properly rated Textron Aviation Authorized Service Facility.

(3) The part to be repaired or replaced must in all instances be returned, shipping prepaid, to Textron Aviation and with a Textron Aviation issued Return Authorization. All import duties, customs brokerage charges, sales tax, use taxes and misc. fees, if any, on such warranty repairs or replacements assemblies or parts are the warranty recipient's sole responsibility. This Spare Part Limited Warranty will apply to any part repaired or replaced by a properly rated Textron Aviation Authorized Service Facility pursuant to this Warranty, provided, however that such warranty for the part repaired or replaced shall be limited to the unexpired portion of the Spare Parts Limited Warranty described in paragraph (1) above, as applicable. In other words, the warranty period of the part repaired or replaced does not re-start from the date of reinstallation.

B. Limitations Applicable to Textron Aviation's Spare Part Warranty:

(1) This Spare Part Warranty shall be void, and Textron Aviation will be relieved of all obligations and liability under this Warranty if:

(a) The alleged defect in the part is caused by misuse, abuse, or negligence on the part of someone other than Textron Aviation, or by corrosion, delamination or accident; or

(b) The alleged defect in the part is the result of normal wear, exposure or maintenance service, that in any way that, in the sole judgment of Textron Aviation, adversely affects the performance, stability or reliability, or found to be free of defects; or

(c) Any Textron Aviation or manufacturer identification mark or name or serial number has been removed; or

(d) The aircraft and/or equipment has not been maintained, operated or stored either in accordance with applicable manuals, communications or other written instructions of Textron Aviation or any manufacturer of the part involved, or in accordance with applicable Federal Aviation Regulations and advisory circulars unless Buyer shows that such maintenance, operation or storage was not a contributory cause of the defect; or

(e) The part has been modified or altered after delivery other than by its manufacturer or in accordance with a modification or alteration scheme approved in writing by its manufacturer. In addition, any part or system of the aircraft affected by a modified or altered part will not be covered by this Warranty; or

(f) The part is used on the aircraft for purposes other than conventional owner/operator usage. Usage not considered conventional owner/operator usage includes, but is not limited to, scheduled airline, shared ownership fleet, government/military or special mission operations and flight/pilot training operations; or

(g) If the alleged defect in or damage to the part was ascertainable by visual inspection upon receipt from Textron Aviation and a claim is not submitted to the Textron Aviation Warranty Department within thirty (30) days from invoice date. This will require end buyer to do a visual inspection of all Textron Aviation parts upon receipt at the ship-to destination.

(2) Textron Aviation shall not be in breach of this Spare Part Limited Warranty solely because a part requires, subsequent to its delivery, some modification or alteration for product improvements or in order to meet a change in the requirements of any applicable Federal Aviation Regulation.

(3) TEXTRON AVIATION HEREBY DISCLAIMS, AND BUYER WAIVES AS TO SELLER AND TEXTRON AVIATION, ALL OTHER WARRANTIES, WHETHER OF MERCHANTABILITY, FITNESS OR OTHERWISE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.

(4) THE OBLIGATIONS OF TEXTRON AVIATION SET FORTH HEREIN SHALL BE THE EXCLUSIVE REMEDIES FOR ANY BREACH OF WARRANTY, AND, TO THE SAME EXTENT, NEITHER TEXTRON AVIATION NOR SELLER SHALL BE LIABLE FOR ANY GENERAL, CONSEQUENTIAL, INCIDENTAL, SUBSEQUENT OR COLLATERAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR DIMINUTION OF MARKET VALUE, LOSS OF USE OR LOSS OF PROFITS, OR ANY DAMAGES TO THE AIRPLANE CLAIMED BY THE BUYER OR ANY OTHER PERSON OR ENTITY UPON THE THEORIES OF NEGLIGENCE OR STRICT LIABILITY IN TORT.

(5) ANY ACTION BY BUYER FOR BREACH OF THIS WARRANTY BY EITHER TEXTRON AVIATION OR THE PART SELLER MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUES. THE CAUSE OF ACTION ACCRUES WHEN THE BUYER FIRST LEARNS THAT THE WARRANTY HAS BEEN BREACHED.

C. Other warranties applicable to certain Cessna Citation aircraft:

(1) Honeywell, Collins and Ametek parts have a twelve month warranty, regardless of shelf life; and

(2) Select Brake Programs must have reported landings on the respective brake at time of removal for a pro-rated credit consideration to be issued (to be accomplished using the Wear Pin Tool).

D. Hawker 4000 parts:

Textron Aviation does not extend a warranty for Hawker 4000 parts. The warranty, if any, offered by the parts manufacturer will be passed through to the Buyer. Textron Aviation will process a warranty claim for a Hawker 4000 part with the parts manufacturer on behalf of the Buyer. The defect must be discovered and reported within twelve (12) months of date of purchase for new, overhauled, rebuilt, repaired and serviceable Hawker 4000 parts, and the claim must be filed within thirty (30) days of discovery of the defect. Hawker 4000 parts exchanges will be subject to core charges for all over and above repairs or any of the other reasons set out below.

E. Core Return Requirements:

(1) A Textron Aviation issued core Return Authorization must be included with each returned core.

(2) Cores must be returned with a completed service data tag documented by a licensed mechanic or authorized repair station.

(3) All cores being returned must have a core claim filed, and a Return Authorization Form included in the box.

(4) Cores should be carefully repackaged to preclude shipping damage, and the original packing material/methods supplied should be reused when possible.

(5) Cores must be returned to Textron Aviation, unless otherwise directed by Textron Aviation, within 30 days for US domestic orders or 45 days for international orders, calculated from the date of shipment.

(6) Textron Aviation reserves the right to reject and return cores at customer expense and not issue core credit or reduced core credit for cores that are damaged for reasons other than normal wear and tear, are BER (Beyond Economic Repair), have incomplete data tags, have been disassembled, or are not like for like part number. Over and above core repair charges will apply for repairs in excess of \$10,000 USD or for required parts modifications to bring the part to the newest configuration. Textron Aviation will provide bill back notification to the customer within 60 days from receipt of the core if the core is unacceptable or if there are any core charges due to any of the foregoing reasons.

(7) Failure to comply with the above requirements may delay, reduce or forfeit core credit issuance.

F. Short Shipments: Reports of shortage in shipment must be made within 10 days from invoice date.

G. Authorized Returned Goods Requirements:

Customers authorized to purchase parts direct from Textron Aviation are eligible to return parts ordered in error. The following criteria must be met to return a mis-ordered part:

(1) All returns must have prior approval to return.

(a) For new part returns, requests to return components must be made within 30 days from date of shipment, via the WEB based ARG/New Part Return claim form found on parts.txtav.com.

(b) For warranty returns, requests to return components must be made within 30 days from discovery of defect via the WEB based "Create Claim" form found on parts.txtav.com, or call 1.316.517.5603 or 1.800.835.4000.

(c) For more information or if you have any questions regarding return approval:

Please contact TAPD Customer Service Representative at 1.800.835-4000 (US/Domestic) 316.517.5603 (International)

(2) All parts should be returned with all freight and custom charges prepaid. A copy of the Return Authorization form provided by Textron Aviation must be included in the shipment in addition to any other required shipping documents.

(3) Original Airworthiness Documentation furnished with the original shipment must also accompany the part.

(4) The parts must not have been installed in an aircraft or damaged, and in the opinion of Textron Aviation must be in the same condition as when they were sold by Textron Aviation.

(5) The original packing material/methods should be reused when possible.

(6) Returns must be properly cased, plugged or capped as appropriate and be suitably protected for shipment with packing, shock mounts, shipping flanges or other protective measures so that they arrive at Textron Aviation in good condition. Improper packing may be cause for rejection of credit. All rotatable returns must have all original supplier paperwork. Statically sealed items must be returned unopened.

(7) All returned parts are subject to handling charges of 20% of the invoiced price of the item (\$50.00 minimum/\$500.00 maximum) on stock items. Any required recertification prior to restocking and/or items which must be added to part will be charged to the customer.

(8) If the return is the result of a Textron Aviation error, all Textron invoiced costs will be credited including freight.

(9) Claims to the freight carrier should be submitted upon receipt for carton damage or within ten (10) days from invoice date for any other claim.

Entire Agreement These terms and conditions and the purchase order to which they are attached represent the entire agreement between TAPD and you with respect to this subject matter and supersede all prior oral and written understandings and agreements between you and TAPD.