



TERMS AND CONDITIONS

www.maydayavionics.com

These Standard Terms and Conditions of Sale of Mayday Avionics, Inc. ("Mayday"), together with the terms of sale set forth in our signed proposal ("Proposal") submitted to you, will be the only terms of sale applicable to your provision of repair, overhaul or servicing ("Services") of your aircraft and parts thereof ("Equipment") described in the Proposal and will comprise the entire agreement ("Agreement") for these Services. In this Agreement "you" and "your" refer to the customer identified in the Proposal and "we", "us" and "our" refer to Mayday.

1. **Agreement.** The Proposal is subject to these Terms and Conditions to the exclusion of any additional or different terms contained in any proposal or acknowledgment, or otherwise proposed by you. If there is ever a conflict between a provision of any written agreement proposed by you and a provision of these Terms and Conditions, then the provision of the Proposal and these Terms and Conditions shall prevail. The Proposal, including these Terms and Conditions, and any additional written terms signed by a duly authorized representative of Mayday, contain all of the terms of the Agreement between Mayday and you with regard to the subject Services and/or Equipment, and supersedes all prior oral or written representations, agreements and other communications between Mayday and you, and may be only amended by a writing signed by duly authorized officers of Mayday and you.
2. **General Procedure.** We will perform Services on your equipment as required in the signed Proposal. Services will be in accordance with our standard commercial practices and may include Designed Engineering Representative ("DER") approvals on part and structures and use of PMA parts. We may use parts from our rotatable parts inventory to replace your repairable parts which will be repaired by us at your expense. If such removed parts are later scrapped, condemned or determined to be non-repairable, the parts will be disposed of at the expense (if any) to you less any applicable exchange fee previously paid. Title to materials furnished by us will pass to you upon incorporation in the Equipment and, simultaneously, title to the parts replaced will pass to us. At redelivery, we will provide you copies of all work records required by, as applicable, the FAA, JAA, CAA or other equivalent aviation authority (each, an "Approved Aviation Authority")
3. **Government Authorization.** You will be the importer/exporter of record of the Equipment and, unless we otherwise agree in writing, you will be responsible for obtaining all necessary import/export licenses (including any applicable use and/or destination certificates), permits and other required authorizations. All Delivered items (including technical data) shall at all times be subject to U.S. Export Regulations, International Traffic in Arms Regulations of the U.S. and applicable U.S. Customs Regulations. You will not dispose of items furnished by us (including technical data)

other than in and to the country of ultimate destination specified in the Proposal, government license(s), and Authorization(s), except as law and regulation permit.

4. **Taxes.** You agree to pay all any sales, use or other taxes (whether federal, state or local), assessments, fees, charges or duties or any nature (excluding income taxes) arising, assessed or levied in connection with performance of this Agreement.
5. **Prices/Payment.** Our prices for Services are stated in U.S Dollars and shall be at the rates quoted to you in the Proposal and shall be charged at the current published rates as displayed in the lobby of Mayday Avionics. All invoices are due prior to Redelivery of the repaired Equipment or aircraft and shall be paid by wire transfer or check, immediately available for use and without setoff. If requested in the Proposal, you shall pay Mayday the agreed deposit equal to the stated percentage of the overall cost of the Services/Equipment prior to the commencement of work. The terms of the deposit set forth in the Proposal shall control application to invoice and/or refund. If your account becomes delinquent, you will grant us commercially acceptable assurances of payment. You will pay us one and one-half percentage (1.5%) point's interest per month for all transfers to Mayday upon Redelivery unless otherwise specifically agreed to in writing. If the Customer desires to retain any or all of the removed materials, written notice to Mayday must be given prior to the input date and, if necessary, appropriate adjustments to the quoted prices will be made. Customer has all risk of loss of the retained materials. Retained materials must be removed from the premises of Mayday within thirty (30) days after Redelivery or such materials will conclusively be deemed to be abandoned by Customer and title to such materials shall transfer to Mayday on the 31st day after Redelivery. Prices are subject to an additional charge for replacement or saving of missing parts, of for parts damaged in shipment of equipment to Mayday. Mayday, at its sole discretion, shall evaluate your financial condition and performance of payment to your suppliers and creditors, including any past accounts with Mayday, to determine acceptable payment terms. You shall reimburse Mayday for any and all expenses, including reasonable attorneys' fees, incurred by Mayday in the collection of any delinquent account or enforcing its rights with respect to your payment
6. **Security Interest.** You grant to Mayday a continuing security interest in the subject aircraft and/or Equipment furnished or to be furnished by Mayday to you, together with all parts, attachments, accessories, or appurtenances to such Equipment, all substitutions, improvements and replacements of such products, all additions to such products, and all proceeds of such products and any of the foregoing. You authorize Mayday to cause all financing statements or other instruments in respect of the security interest granted by you, including without limitation all applicable financing statements to be filed and recorded, or re-filed and re-recorded, with any state and/or any Approved Aviation Authority in order to perfect Mayday's security interest. You agree to execute, or otherwise authenticate, and deliver any statement, instrument or other document requested by Mayday for such purpose. You authorize Mayday to file any such instrument or other document, including without limitation, any applicable financing statements, without your signature and, if your signature is required, you irrevocably appoint Mayday as your attorney-in-fact to execute and file any such statement or other instrument in your name and on your behalf.
7. **Excusable Delay.** You will excuse us from, and we will not be liable for, any delay in our performance due to causes beyond our reasonable control, including without limitation: acts of God; governmental actions; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; terrorist acts, utility interruptions, failures or delays by

Mayday's vendors, or court injunction or order. In the event of such delay, we may invoice you for all completed Services. If you cause a delay, your Equipment may be removed from Service, which may result in a greater than day-for-day delay in the completion of Services.

8. **Limited Warranty.** We warrant installation workmanship for a period as outlined in our proposal after the date of Redelivery of the work performed and installation conformance to final specifications, plans, and drawings that the parties have agreed in writing to be a part of this Agreement. We do not warrant parts or equipment other than to assign any rights under the manufacturers' warranties to you. You will send us written notice of a defect within thirty (30) days of discovering it. If we reasonably determine that the work performed does not meet this warranty then we will promptly, at our option, either (a) repair the defective work, (b) replace the defective item, or (c) refund the repair price allocable to the defective work. The warranty period on any such repaired or replaced item will be the unexpired portion of the warranty the initially repaired item. You will send the defective item, freight prepaid, to the location we specify. We will reimburse reasonable freight charges you incur for transportation for repairs covered by this warranty. This warranty is not assignable without our written consent and is applicable only if, following Redelivery, the Equipment (a) has been transported, stored, installed, operated, handled, maintained and repaired in accordance with Airworthiness Directives and the then-current recommendations of the Equipment manufacturer as stated in its manuals, Service Bulletins or written instruction; (b) has not been altered, modified or repaired by anyone other than us; and (c) has not been subjected to accident, misuse, abuse, or neglect.

9. **DISCLAIMER.** EXCEPT FOR THE LIMITED WARRANTY PROVIDED IN SECTION 8, MAYDAY EXPRESSLY DISCLAIMS AND EXCLUDES ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MAYDAY ALSO DISCLAIMS AND EXCLUDES ALL LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR ANY OTHER SPECIAL DAMAGES OF YOU, AS CUSTOMER (INCLUDING LOST PROFITS), FOR BREACH OF WARRANTY OR OF CONTRACT, OR OTHERWISE. NO REPRESENTATIVE OF MAYDAY IS AUTHORIZED TO MAKE ANY CHANGE OR MODIFICATION TO THIS WARRANTY AND DISCLAIMER. THIS LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE REMEDY YOU HAVE AGAINST MAYDAY.

10. **Indemnity.** By Mayday. Subject to Section 9, we shall indemnify, defend, save, and hold harmless Customer and its Affiliates, Parent, subsidiaries and their respective directors, officers, and employees from and against any and all responsibilities, liabilities, claims, demands, suits, judgments, losses, damages, costs, and expenses for any loss of, damage to, or destruction of any property or any injury to or death of any person arising from Mayday's negligence, misconduct or performance of its obligations under this Agreement; provided, however, Mayday shall not be required to indemnify Customer for any claims or liabilities arising from Customer's negligence or misconduct. Mayday shall indemnify, defend, save, and hold harmless Customer and its Parent, subsidiaries, Affiliates, and their respective directors, officers, and employees from against all claims and liabilities resulting in injuries or damages suffered by employees of MAYDAY in connection with the performance of Services hereunder.

By Customer. Customer shall indemnify, defend, save, and hold harmless Mayday, its Parent, Affiliates, directors, officers, servants, and employees thereof, from and against any and all responsibilities, liabilities, claims, demands, suits, judgments, losses,

damages, cost, and expenses for any loss of, damage to, or destruction of any property or any injury to or death of any person arising from Customer's use, operation, repair, maintenance, or disposition of the Engines; provided, however, Customer shall not be required to indemnify Mayday for any claims or liabilities arising from Mayday's negligence or misconduct or breach of its obligations of its obligations arising under this Agreement. Customer shall indemnify, defend, save, and hold harmless Mayday, its Affiliates. Directors, officers, servants, and employees thereof from and against all claims and liabilities resulting in injuries or damages suffered by employees of Customer in connection with the performance of their respective employment with Customer other than claims arising from injury to the person resulting from services.

11. **Limitation of Liability.** The total Liability of Mayday under the Agreement shall not exceed the dollar value of the equipment immediately prior to the failure precipitating such claim. Neither Party shall be liable for special, incidental, or consequential damages.
12. **Confidential Information.** All proposals, quotes, notes, brochures, technical information concerning processes, devices, machines and techniques, agreements, know-how, designs, software, drawings, specifications, data sheets, correspondence or any like items (collectively, "Mayday's Proprietary Information") supplied by Mayday to you are, and shall remain, the property of Mayday and may be covered by one or more patents, patent applications, copyrights or trademarks. You shall not at any time disclose or make available to any third-party any of Mayday's Proprietary Information for any purpose without the express written consent of Mayday. Nothing in this Agreement shall grant you a license or right to use the patents, copyrights or trademarks of Mayday. Mayday shall maintain as confidential and not disclose to any third party any information you designate in writing and Proprietary.
13. **Customer Warranty and Return To Service Inspection.** You, as customer, represent and warrant that all flight and maintenance records relating to the aircraft(s) on which Mayday shall perform services have been maintained accurately and in compliance with all applicable Approved Aviation Authority laws and regulations. Prior to the aircraft being returned to service, you shall complete all final inspections of the aircraft and/or parts/accessories required by the applicable Approved Aviation Authority unless Mayday and you agree in writing that Mayday shall complete the inspection.
14. **Termination.** Either party may terminate this Agreement upon thirty (30) days written notice for breach of any material provision, unless such breach is cured within the thirty (30) days. We may terminate this Agreement without advance notice if you (a) fail to make any of the required payments when due, (b) make any agreement with your creditors due to your inability to make timely payment of your debts, (c) enter into compulsory or voluntary liquidation, (d) become insolvent, or become subject to the appointment of a receiver of all or a material part of your assets. Upon any such termination, you will not be relieved of your obligation to pay for Services performed.
15. **Customer Furnished Material.** You may supply mutually agreed quantities and types of parts to us as "Customer Furnished Material" if furnished with an Approved Aviation Authority serviceability tag and ready for immediate use. If your delay in providing material would delay our performance, we may supply such parts and material at your expense. Customer Furnished Material will be assessed a surcharge at the time of the installation. For rebuilt, reworked, overhauled or refurbished parts where there is no MSRP, Mayday Avionics, at its sole discretion, will determine the basis for the surcharge.

Customer furnished parts must be accompanied by a properly executed release for return to service in accordance with FAA regulations. If such release or documentation is not supplied, any overhaul, upgrade, certification or repair necessary to be in compliance must be accomplished prior to installation of the parts. Any such overhaul, upgrade, certification or repair is the sole responsibility of the Customer. Mayday Avionics disclaims any and all liability for customer furnished parts and specifically excludes any and all express, implied or statutory warranties for such parts including but not limited to, the warranties of merchantability and fitness for particular purpose. Customer waives any claim of or right to any cause of action against Mayday Avionics, its employees, directors, officers, agents and subcontractors, for the performance of such parts and installation by Mayday Avionics without inspection of such parts. Mayday Avionics will not assume responsibility airframe/customer hardware sent with equipment/parts. Every effort will be made, however, to return these items to the customer freight collect.

16. **Dispute Resolution And Governing Law.** This Agreement shall be governed by the law of the State of Michigan, excluding its conflict of law provisions. Any dispute regarding the performance or interpretation of this Agreement, which dispute cannot be resolved by the Parties within 30 days of identification and notification of the dispute in writing by either Party, such dispute shall be submitted to mediation in Kent County, Michigan with one (1) mediator acceptable to both Parties. In the event the Parties cannot agree on a mediator within fifteen days of notice of the dispute (unless a longer period of time is mutually agreed in writing by the Parties), the parties agree to accept as a mediator the recommendation of the then current president of the Grand Rapids chapter of the American Inns of Court. In the event the dispute cannot be resolved through mediation within sixty (60) days of the matter being submitted to mediation (or such longer time as the parties shall mutually agree in writing), the dispute shall be subject to the jurisdiction and venue of Kent County (Michigan) Circuit Court and the parties further agree to submission of the dispute to the business court section of Kent County Circuit Court.

17. **General Provisions.**

Right to Sub-Contract. We have the right to subcontract any Service to any subcontractor properly certified and rated by the Approved Aviation Authority.

Independent Contractor. Mayday shall at all times be deemed to be an independent contractor. Nothing in this Agreement shall be deemed to make Mayday or its employees or agents an employee, partner or joint venturer of you.

Assignment. This Agreement may not be assigned without the prior written consent of the other party, except that your consent will not be required for an assignment by us to one of our affiliates.

Waiver of Immunity. If you are incorporated or based outside the United States, to the extent that you or any of your property becomes entitled to sovereign or other immunity from any legal action, you waive your immunity in connection with this Agreement.

Language, Notices. All correspondence and documentation connected with this Agreement will be in English. All notices will be in writing, effective upon receipt and will be provided to the addresses set forth on the Proposal, which may be changed by written notice.

Non-Waiver of Rights and Remedies. Failure or delay in the exercise of any right or remedy under this Agreement will not waive or impair such right or remedy. No waiver given will require future or further waivers.

Entire Agreement. Any portion of this Agreement determined to be contrary to any controlling law, rule or regulation shall be revised or deleted and the remaining balance of this Agreement will remain in full force and effect. In the event of a conflict between the Proposal and this document, the Proposal Shall rule. This Agreement may be executed in one or more counterparts, each treated as the same binding agreement which shall be effective upon execution.

Foreign Registry. Mayday standard proposals are based on a US registered aircraft. If the aircraft remains in foreign registry, then Mayday Avionics, Inc. will perform all work in accordance with standard and approved U.S. requirements and the customer will be responsible for obtaining all approvals and certifications necessary to satisfy their local regulations. Mayday will support certification requirements at the customer request and approval on a time and material basis.