



TERMS and CONDITIONS of SALE

Unless otherwise agreed in writing, all sales of parts (hereinafter called the “Product”) will be fulfilled by TES Parts, LLC (the “Seller”) pursuant to receipt of a valid purchase order (“Purchase Order”) from a Customer approved by Seller (the “Purchaser”) subject to the following terms and conditions. The term ‘Purchase’ and the term ‘Purchase Order’ in this statement of Terms and Conditions of Sale is used herein in connection with any sale transaction whereby the Purchaser purchases and takes delivery of Product from Seller.

1. CREDIT TERMS

At Seller’s sole discretion, payment terms may be granted to Purchaser.

2. ORDER PLACEMENT

Purchaser represents and warrants that each employee or representative who delivers a Purchase Order to Seller on its behalf is properly authorized to deliver such Purchase Order and is properly authorized to accept these conditions as agent for and on behalf of the Purchaser. Purchase Orders may be delivered to Seller by email or hardcopy and receipt by Seller will be acknowledged to Purchaser via email.

3. EXPORT CONTROLS, EXPORT LAWS

Purchaser represents and warrants that it will not export or re-export any Product purchased from Seller to any banned, restricted or sanctioned region, company or individual per U.S. or EU export laws and acknowledges that U.S. and EU law prohibits the sale, transfer, export or re-export, or other participation in any export transaction involving the Product with individuals or companies listed in the U.S. Commerce Departments Table of Denial Orders, the U.S. Treasury Department of Specially Designated Nationals or the U.S. Department of State’s list of individuals debarred from receiving items on the Munitions list.

Purchaser represents and warrants that it will comply with all applicable U.S. and EU export control laws and regulations and the laws of all other countries involved in transactions associated with a Purchaser Order for any Product purchased from Seller and will obtain any licenses or approvals required prior to import, export or re-export of Product sold by Seller.

4. DELIVERY & TITLE TRANSFER

Unless otherwise agreed by in writing, delivery of the Product shall be Ex Works (Incoterms 2010) Seller’s facility in Grapevine, Texas, USA, or other facility at which the Product is located at the time of shipment (“Delivery”). Purchaser shall pay the cost of transportation of the Product from the point of Delivery to the location provided for in the Purchase Order.

Seller warrants that it has the right, title and interest in the Product and may convey its right, title and interest in the Product to Purchaser upon Delivery.

Customer agrees to pay all taxes, duties, fees, charges, or assessments of any nature that assessed or levied in connection with the supply of parts, materials, equipment, and tooling (including the loan and lease of the same). This includes Federal, State and Local taxes, import/export and other duties, tariffs, VAT, and similar fees imposed by any government, all of which shall be listed separately on the invoice. If TES PARTS, LLC, for any reason, pays for any taxes for which the Customer is responsible, Customer shall promptly reimburse TES PARTS, LLC for such payment, along with any expenses thereto. If Customer is exempt from or eligible for a reduced rate in respect of any taxes, Customer shall provide to TES PARTS, LLC a valid tax exemption certificate or other required documentation prior to the transaction date. Customers requiring goods and services in the European Union may also be asked to confirm Economic Operators Registration and Identification (EORI) if required.

Title to and all risk of loss for the Product shall pass to the Purchaser upon Delivery.

5. LIMITED WARRANTY

Seller will appropriately package the Product for Delivery. Damage to the Product after Delivery is the responsibility of the Purchaser, and Purchaser acknowledges that Seller will not accept claims for damage that occurs during transportation or at any time after Delivery has occurred.



Seller hereby warrants that the Products sold hereunder will be free of defects in material in accordance with the table below based on the condition stated on the invoice. Purchaser must notify Seller in writing of any defect within the applicable warranty period, and the defective Product must be received back by Seller within ten (10) business days of issuance of Seller's Return Authorization pursuant to Section 8. Seller reserves the right to not accept any part not received within ten (10) business days after issuance of Seller's Return Authorization.

CONDITION	WARRANTY INFORMATION
New	Engine, Mechanical & Electrical Components: <i>Remaining OEM Warranty as available</i>
New Surplus	Engine, Mechanical & Electrical Components: <i>12 months from the date of invoice unless otherwise specified by seller.</i>
Overhauled	Engine, Mechanical & Electrical Components: <i>12 months from the date of invoice unless otherwise specified by seller.</i>
Serviceable	Engine, Mechanical & Electrical Components: <i>6 months from the date of invoice unless otherwise specified by seller.</i>
Repaired	Engine, Mechanical & Electrical Components: <i>6 months from the date of invoice unless otherwise specified by seller.</i>

Seller's obligation and Purchaser's sole remedy under this warranty is limited, at Seller's election, to repair or replacement, or credit for any defective Product. All Products repaired or replaced are warranted only for the unexpired portion of the original warranty period. Seller will not be liable under this warranty for: (1) maintenance, repair, installation, handling, packaging, transportation, storage, operation or use of Products which is improper or otherwise not in compliance with Seller's or Product manufacturer's instructions or specifications; (2) Product alteration, modification or repair by anyone other than Seller or those specifically authorized by Seller; (3) accident, contamination, foreign object damage, abuse, neglect, improper operation or negligence after Product shipment to Purchaser; (4) damage caused by failure of a Seller-supplied Product not under warranty or by any other hardware or software not supplied by Seller; (5) Products normally consumed in operation or which have a normal life inherently shorter than the foregoing warranty period including, but not limited to, consumables (e.g. flashtubes, lamps, batteries); or (6) normal wear and tear and the need for regular overhaul and periodic maintenance.

THE FOREGOING LIMITED WARRANTIES SET OUT ABOVE AND THE OBLIGATIONS OF SELLER THEREUNDER, ARE EXPRESSLY IN LIEU OF, AND PURCHASER HEREBY WAIVES AND RELEASES SELLER FROM, ANY AND ALL OTHER WARRANTIES, AGREEMENTS, INDEMNITIES, GUARANTEES, CONDITIONS, OBLIGATIONS, REMEDIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO AGREEMENT OR UNDERSTANDING VARYING, ALTERING OR EXTENDING SELLER'S LIABILITY HEREUNDER WILL BE BINDING ON SELLER UNLESS IN WRITING AND SIGNED BY SELLER'S DULY AUTHORIZED REPRESENTATIVE, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED. **THE FOREGOING WARRANTIES DO NOT APPLY TO ENGINES, AUXILIARY POWER UNITS, LANDING GEAR NEW SURPLUS AND/OR AS-REMOVED PARTS AND THE SAME ARE DELIVERED AND SOLD TO PURCHASER SUBJECT TO EACH DISCLAIMER SET FORTH**



IN SECTION 9 OF THESE TERMS AND CONDITIONS OF SALE. IN NO EVENT SHALL SELLER'S LIABILITY UNDER ANY WARRANTY EXCEED THE PRICE (EXCLUSIVE OF TAXES AND OTHER CHARGES) OF THE PRODUCT SOLD TO PURCHASER.

6. INVOICING & PAYMENT

All invoices from Seller will be issued and payable in United States Dollars (USD\$)

Immediately upon Delivery, Seller shall submit an invoice to Purchaser evidencing sale of the Product and title transfer to Purchaser.

Purchaser shall pay the invoice amount to Seller on or prior to the invoice due date and shall make payment via wire transfer. Seller may withhold Delivery of any Product pending receipt from Purchaser of payment of such invoice amount in full.

Purchaser acknowledges and agrees that Seller, in its sole discretion, may charge interest at the maximum rate permitted by law or 1.5% per month, whichever is lower, on all past due balances, beginning on the 1st day after the due date of each invoice.

7. EXCHANGE TRANSACTIONS

The Customer shall deliver a like part complete with all of the documentation detailed herein (the "Exchange Core Unit") within 14 days (domestic) or within twenty-one (21) days (international) from the date of this Agreement (the "Exchange Core Return Period").

Cores not arriving at TES PARTS, LLC designated facility within the above-mentioned deadlines will be subject to late return charges.

A flat charge of \$500 applies to any core unit returned late or returned without correct paperwork per Section 7. Beyond 5 days late or rejected due to paperwork deficiencies, an additional \$100 per day charge applies.

In the event that Customer fails to deliver the Exchange Core Unit within 30 days of the date of this Agreement, Customer agrees that the transaction is automatically converted to an Outright Sale at the Outright Sale Price noted (this will be in addition to the exchange fee and any late return charges), payment of which is due upon receipt of invoice.

TES PARTS, LLC reserves the right to refuse credit and return Cores at Customer's expense for Cores that are (i) not like-for-like Part numbers, (ii) disassembled Parts, (iii) incomplete Parts, (iv) accompanied by incomplete Material Return Authorization forms, (v) Beyond Economical Repair (BER), or (vi) missing or have incomplete logbooks or cards. Customer acknowledges that the delivery to TES PARTS, LLC of an Exchange Core Unit without all of the documentation detailed herein is not in compliance with this Agreement, and that in such an event the Exchange Core Unit is considered not delivered to TES PARTS, LLC, and that late charges and all other remedies will apply accordingly.

Prices for Exchange Parts are subject to normal repair/overhaul and for like cores. The Exchange Core Unit must be economically repairable and be the same part number and modification status (or be capable of modification to the same part number and modification status) as the Exchange Unit. An Exchange Core Unit that has an alternate part number is not acceptable without prior written authority of TES PARTS, LLC. In the event that TES PARTS, LLC accepts an Exchange Core Unit with an alternate part number to the Exchange Unit, Customer agrees to pay for any modification fees incurred within the Exchange Core Unit Repair.

Once the Exchange Unit is dispatched from TES PARTS, LLC's facility, this agreement is in effect in its entirety. Cancellations and/or an Exchange Unit returned unused must be approved in advance by TES PARTS, LLC and are subject to a restocking fee equal to 10% of the Outright Sales Price listed above. An unused and returned Exchange Unit must be accompanied by all original paperwork supplied by TES PARTS, LLC, plus a Non-Usage Statement indicating that part was not used or installed and signed by the Customer's Quality Control Representative.



TES PARTS, LLC, at its sole discretion, may approve the return of a certified Exchange Core Unit, however this must be authorized in advance and in writing. In such case, TES PARTS, LLC and Customer may agree to an extended Exchange Core Return Period. Customer's failure to deliver the certified Exchange Core Unit within the extended Exchange Core Return Period will result in the Outright Sale Price in accordance with Section 7.

Customer acknowledges that TES PARTS, LLC at its sole discretion may choose not to accept an Exchange Core Unit which contains PMA parts, or which contains non-OEM or non-SRM repairs, or to replace such PMA parts or non-OEM or non-SRM repairs within the Exchange Core Unit Repair workscope at the Customer's expense.

Exchange Core Return Shipping Details:

Unless otherwise agreed, the Customer shall deliver the Exchange Core Unit to the noted shipping address.

Exchange Core Unit - Repair Approval & Invoicing

Where applicable, the customer agrees that:

Upon receipt of the **Exchange Core Unit**, TES PARTS, LLC will promptly have the Part evaluated for Repair/Recertification or Overhaul and modification if so required (the "**Exchange Core Unit Repair**"), in order to have the **Exchange Core Unit** returned to the same condition as the **Exchange Unit**.

Customer acknowledges that the **Exchange Core Unit Repair** will not allow for PMA Parts, or for non-OEM or non-SRM approved repair processes.

In the event of an **Exchange Core Unit Repair** being deemed excessive, TES PARTS, LLC will forward a copy of the Repair quote to the Customer. TES PARTS, LLC, at its sole discretion will determine the **Exchange Core Unit Repair** to be excessive and that the **Exchange Core Unit** is beyond economical repair ("BER").

Customer acknowledges that in the event of **Exchange Core Unit** being deemed **BER**, payment of invoices provided by TES PARTS, LLC are due upon receipt.

In the event of a standard exchange transaction (**Exchange plus Repair**), Customer agrees to pay for **Exchange Core Unit Repair** and any additional charges in full upon receipt of invoice

In the event that a warranty or DOA replacement **Exchange Core Unit** must be supplied through vendor obtained material for any reason, vendor pricing will apply. Customer agrees to pay any differences for the replacement **Exchange Core Unit** not obtained from TES PARTS, LLC stock.

Exchange Core Unit – Documentation Requirements

The **Exchange Core Unit** must be accompanied by the following documents:

A Packing Slip or Commercial Invoice, detailing the customer PO number, showing transfer of ownership to TES PARTS, LLC

A TES PARTS, LLC Material Return Authorization (MRA) (attached) detailing the following:

the reason for removal or failure

the Aircraft or Engine Serial Number that the **Exchange Core Unit** was removed from



the Part Number and Serial Number of the **Exchange Core Unit**

Non-incident statement from the last operator

Non-incident from Part 145 organization, where applicable

8. RETURNS FOR CREDIT

Seller at its sole discretion may permit the return of Product subsequent to its sale to Purchaser within 10 days following the date of shipment to Purchaser. A restocking fee of \$500 or 10% of the current purchase price, whichever is greater, may be charged to Purchaser for each unused Part returned. Each returned Part is subject to Seller's quality inspection, which may require Purchaser to provide payment to Seller for recertification fees for such Parts. Seller may charge recertification and/or transportation fees if the tamper-proof seal is not intact when an unused Part is returned. Purchaser will advise Seller of the same including a detailed statement of its reason for return. In the event that a return is approved, Seller will issue a Return Authorization and with appropriate re-stocking fee added. Product must be received back by Seller within ten (10) business days of issuance of Seller's Return Authorization pursuant to Section 8. Seller reserves the right to not accept any part not received within ten (10) business days after issuance of Seller's Return Authorization.

9. RETURNS FOR WARRANTY REPAIR

Purchaser may request a return for warranty repair in the event of a Product's failure within the warranty period. Upon request from Purchaser for warranty consideration, and Purchaser providing documentation to Seller's satisfaction supporting the warranty claim, Seller will issue a Return Authorization to Purchaser. Purchaser acknowledges that in the event that the warranty claim is denied, Purchaser will reimburse Seller for all expenses associated with the warranty claim processing. Seller will not issue any credit against the sale to the Purchaser while the warranty claim is being evaluated and Purchaser's obligations to take Delivery of the Product and make payment of invoices due will remain in full. Purchaser shall pay for return shipment of the Product to/from Seller and shall bear all risk of loss or damage to the Product while in transit to/from Seller in connection with any approved warranty repair.

10. DISCLAIMER AND LIMITATION OF LIABILITY

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN SECTION 5, PRODUCT IS BEING SOLD AND DELIVERED "AS IS, WHERE IS" AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. ALL OTHER OBLIGATIONS AND LIABILITIES, EITHER DIRECT OR CONSEQUENTIAL, ON THE PART OF SELLER ARE HEREBY EXPRESSLY DISCLAIMED. SELLER WILL NOT BE LIABLE FOR ANY OTHER REMEDY OR LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO SUCH DAMAGES RESULTING FROM A BREACH OF CONTRACT OR WARRANTY, ALLEGED NEGLIGENCE OR OTHERWISE, DAMAGE TO AIRFRAME, ENGINE, OR OTHER PROPERTY, COSTS OR EXPENSES OF OPERATION OF ANY AIRCRAFT, OR SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, COLLECTION COSTS, ATTORNEYS FEES, DAMAGES OF ANY TYPE, OR CLAIMS OF PURCHASER'S BUYERS OR OTHER THIRD PARTIES FOR SUCH DAMAGES, OR ANY OTHER LOSS, CLAIM OR DEMAND OF ANY DESCRIPTION RELATING TO THE PRODUCT. NO VARIATION OF ANY LIMITATION OR EXTENSION OF ANY WARRANTY OR REMEDY SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF SELLER. NO VARIATION OR EXTENSION SHALL APPLY TO ANY OTHER SALE OF PRODUCT. THE PURCHASER HEREBY RELEASES SELLER AND ANY PERSON, FIRM OR CORPORATION FROM WHOM SELLER ACQUIRED POSSESSION OF THE PRODUCT FROM ANY LIABILITY ARISING OUT OF A DEFECT OF SUCH PRODUCT.

11. INDEMNIFICATION

Purchaser hereby releases and agrees to indemnify, defend and save harmless Seller, its directors, officers, members, managers, shareholders, agents and employees from and against any and all liabilities, damages, losses, expenses, and



claims, including without limitation all reasonable attorneys' fees and all other costs and expenses in connection therewith or incident thereto, for death of or injury to any persons whomsoever, including without limitation the directors, officers, members, managers, shareholders, agents and employees of the parties hereto, and for loss of, damage to, or delay in delivery of any property whatsoever, including without limitation any aircraft on which the Product may be installed and loss of use of any aircraft and any other property of the parties hereto or of their directors, officers, members, managers, shareholders, agents and employees (the "Losses"), in any manner arising out of, incident to, or in connection with such Product or the use, operation, storage, or testing of the Product, subsequent to Delivery hereunder, regardless of the negligence, active or passive of Seller; except that the foregoing indemnity shall not apply to the extent that such Losses are caused by the willful or intentional misconduct of Seller.

12. MISCELLANEOUS

No terms or conditions appearing on a Purchaser Order shall be binding upon Seller unless specifically agreed by Seller in writing. Where any terms (pre-printed or otherwise) on the Purchase Order are in conflict with any terms herein (including any conflicting statement concerning order of precedence), the terms herein shall take precedence and the Purchaser's terms which are in conflict shall have no effect. Any unenforceable term shall not affect the validity of the remainder of the terms herein. Seller may at any time, change any and all of these terms and conditions of sale. Any change shall be effective upon written notice thereof to the Purchaser.

Seller will not be liable to Purchaser for any delay in performance or failure to perform due to causes beyond its control and without its fault or negligence.

13. GOVERNING LAW

These Terms and Conditions of Sale shall be governed by and construed in accordance with the laws of Texas, USA without application of conflicts of law's provisions.