Sales Agreement, Terms and Conditions

GENERAL

ACCEPTANCE/GOVERNING TERMS: These Terms and Conditions of Sale ("Agreement") shall apply to all sales of products by G & H Aerospace Inc., a corporation of the State of Arizona. As used in these Terms and Conditions of Sale, "we" and "our" shall refer to G & H Aerospace Inc. products or services. Unless otherwise specifically agreed in writing by an authorized representative of G & H Aerospace, any different or additional terms and conditions proposed by any customer in a purchase order, response to a quotation, or other proposal are hereby rejected by G & H Aerospace and shall not be incorporated into the agreement for sale of G & H Aerospace products. Customer's assent to these Terms and Conditions of Sale shall be conclusively presumed from customer's ordering products quoted by G & H Aerospace, customer's failure to object in writing to these Terms and Conditions of Sale, and/or customer's acceptance of all or part of any products ordered. If G & H Aerospace is found to have acknowledged customer's order or proposal, and such acknowledgement constitutes an acceptance of an offer, such acceptance is expressly made conditional on customer's assent solely to these Terms and Conditions of Sale, which shall form part of the acknowledgement, and acceptance by customer of any products shall be deemed to constitute such assent. If any quotation or other document of G & H Aerospace is deemed to constitute an offer to customer, customer's acceptance of such offer is limited to these Terms and Conditions of Sale.

TERMS OF PAYMENT

Terms of payment for all of G & H Aerospace products are as follows: All invoices must be paid within 30 days of invoice date. An additional fee of 2% per month or the highest lawful rate under applicable state law will be charged by G & H Aerospace on all invoices which are past due. Should it be necessary for G & H Aerospace to institute formal collection proceedings to collect any past due amounts from customer, G & H Aerospace shall be entitled to recover its attorney's fees and other costs associated with the proceedings. Notwithstanding the acceptance of any order by G & H Aerospace, we reserve the right not to ship material to any customer not paying in accordance with our terms or who, in the sole opinion of G & H Aerospace, may be unable to meet its payment obligations to G & H Aerospace.

Freight Terms

Freight will be prepaid and allowed by G & H Aerospace on any order totaling \$2,000 or more within the limits of the continental United States. Orders not qualified for prepaid freight will be shipped with transportation charges prepaid by G & H Aerospace and

added to customer's account, unless other method is requested by the customer. Partial shipments will be made at the discretion of the customer, provided the customer pays excess freight. When G & H Aerospace bears the cost of shipment, we reserve the right to ship all orders in one complete shipment. Partial shipments may be made at our discretion. G & H Aerospace will not be responsible for storage charges or cartage charges beyond the destination address acknowledged by G & H Aerospace. All

shipments will be made via carrier selected by G & H Aerospace reserves the right to choose origin of shipment and routing.

Direct Shipments

G & H Aerospace reserves the right to refuse the request of any distributor to **DATE OF SHIPMENT**, Shipping dates are approximate and are based on conditions existing at the time of G & H Aerospace's receipt of customer's firm order and full information. G & H Aerospace will in good faith endeavor to ship by the estimated shipping date but it shall not be responsible for any delay or any damage arising there from. At no time will the buyer be allowed to visit G & H aerospace or G & H aerospace's subvendors regardless of the delay.

Merchandise and Claims Terms

Unless otherwise noted, sales of G & H Aerospace Products will be F.O.B. factory. Title and risk of loss to all products shall pass from G & H Aerospace to our customers upon execution of a bill of lading or tender of freight to carrier's agent or customer's agent, whichever shall first occur. When shipments of G & H Aerospace products are to be made via company truck, title and risk of loss to the products shall pass to our customers at time of delivery to the final destination or to the forwarding carrier. All claims for loss or damage in transit must be made by customer to both the carrier and G & H Aerospace within 5 working days.

Date of Shipments

Shipping dates are approximate and are based on conditions existing at the time of G & H Aerospace's receipt of customer's firm order and full information. G & H Aerospace will in good faith endeavor to ship by the estimated shipping date but it shall not be responsible for any delay or any damage arising there from.

Return Merchandise Terms

No merchandise shall be returned by the customer without prior written consent and authorization in the form of a Return Goods Authorization (RGA), which has been issued by G & H Aerospace expressly for the merchandise to be returned. This RGA will be issued at the sole discretion of G & H Aerospace and must be requested by the customer within 90 days of the original shipment date. Returned merchandise must be in its original sealed cartons. All returned merchandise must be in salable condition in order to qualify for credit. No special products, non-stocking products, custom-made products, outdated or modified versions of cataloged factory stocking items may be returned by the customer. Except for products considered by G & H Aerospace to be defective in workmanship or materials, all returns will be subject to a minimum 35% handling and factory inspection charge, and a deduction will be made for the freight expense of the original shipment. Merchandise accepted for return must be shipped prepaid to the factory or other destination specified by G & H Aerospace.

Order Cancelation Terms

G & H Aerospace will accept order cancellations from customers only if the cancellations are sent to G & H Aerospace in writing and received prior to shipment of the order.

Verbal order cancellations will not be accepted. Cancellation charges shall be those costs incurred by G & H Aerospace, but not less than 10% of the value of an order. All costs for warehousing and freight on orders cancelled after shipment and/or refused at destination will be charged to the customer. G & H Aerospace reserves the right to

impose on the customer an additional charge of 25% of the value of an order if the order is cancelled after it has been processed for shipment.

Minimum Order Charge

A service charge of \$50.00 will be added to all original customer orders, which total less than \$100.00 net.

Pricing

Prices are subject to change without notice. G & H Aerospace will ship merchandise at prices prevailing at the time of shipment. Prices are exclusive of sales, use, excise or similar taxes unless otherwise noted.

Standard Package Policy and/or "Broken Carton" Charge

G & H Aerospace will ship the order as written, but it will apply a broken carton charge of \$5.00 to each catalog number so ordered which is not in box quantity.

Specification

G & H Aerospace shall not be responsible for quotations of prices or specifications concerning non-catalogued products unless G & H Aerospace confirms this to the customer in writing. Catalogued items are those listed in G & H Aerospace's current price sheets. Unless specifically agreed by G & H Aerospace in writing, we do not warrant compliance of our products with individual project specifications. All specifications will be listed on the Certificate of Conformance documents when applicable.

Errors

Typographical or clerical errors in quotation orders or acknowledgments are subject to correction.

Changes in Product Design

G & H Aerospace reserves the right to change, discontinue or modify the design and construction of any of its products and to substitute material equal to or superior to that originally specified.

Conditions of Sale

Warranty and Obligations THE FOLLOWING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. G & H Aerospace warrants that products sold will, upon shipment, be free of defects of workmanship or material under normal and proper usage. Should any failure to conform to this warranty become apparent during the warranty period (in most cases one year after the date of shipment) G & H Aerospace must be notified in writing. G & H Aerospace is not responsible for labor costs in connection with the installation, removal or replacement of warranted products or for any consequential damages. G & H Aerospace further reserves the right to refuse to honor the above warranty for any product(s) altered, improperly installed in application for which not intended. In no event and under no circumstances shall G & H Aerospace be liable to the purchaser or to any other person for any indirect, special, consequential or incidental losses or damages including, without limitation, lost profits except to the extent that liability for personal injury or property damage may be imposed upon G & H Aerospace by law. As used

herein, the term "person" shall include, without limitation, any individual, sole proprietorship, partnership, corporation or other entity.

This warranty does not apply to G & H Aerospace products which have been altered or repaired outside of G & H Aerospace's factory or which have been subjected to neglect, abuse, misuse or accident (including shipping damages). This warranty also does not apply to products not manufactured by G & H Aerospace. Any warranty regarding such components is made by the manufacturer of the components, and customer shall direct all claims to the component manufacturer.>

Limitation of Liability

IN NO EVENT SHALL G & H AEROSAPCE INC. BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, STRICT LIABILITY, OR IN TORT INCLUDING NEGLIGENCE) NOR FOR LOST PROFITS; NOR SHALL THE LIABILITY OF ELITE LIGHTING FOR ANY CLAMS OR DAMAGE ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT OR THE MANUFACTURE, SALE, DELIVERY, USE, MAINTENANCE, REPAIR OR MODIFICATION OF THE PRODUCTS, OR SUPPLY OF ANY REPLACEMENT PARTS THEREFORE, EXCEED THE PURCHASE PRICE OF THE PRODUCTS. THIS LIMITATION OF LIABILITY SHALL APPLY TO ANY LIABILITY FOR DEFAULT UNDER OR IN CONNECTION WITH THE PRODUCTS, PARTS, OR SERVICES DELIVERED HEREUNDER WHETHER BASED ON WARRANTY, FAILURE OF OR DELAY IN DELIVERY, OR OTHERWISE.

G & H Aerospace, Inc. (GHA) Purchase Order Terms and Conditions

The quality clauses below are set forth by the GHA QMS, customer, statutory, and regulatory requirements.

In order to ensure the adequacy of requirements prior to their communication to the external provider.

GHA communicates to external providers:

- a) The processes, products, and services being provided, including the identification of relevant technical data e.g., specifications, drawings, process requirements, work instructions);
- **b)** The approval of:
 - 1. Products and services;
 - 2. Methods, processes, and equipment;
 - 3. The release of products and services;
- c) Competence, including any required qualification of persons;
- **d)** The external providers' interactions with GHA;
- e) Control and monitoring of the external providers' performance to be applied by GHA;
- **f)** Verification or validation activities that GHA, or its customer, intends to perform at the external providers' premises;
- g) Design and development control;
- h) Special requirements, critical items, or key characteristics;
- i) Test, inspection, and verification (including production process verification);
- j) The use of statistical techniques for product acceptance and related instructions for acceptance by GHA
- **k)** The need to:
 - 1. Use customer-designated or approved external providers, including process sources (e.g., special

processes);

- **l)** External supplier shall have in place a G&H Aerospace approved quality management system.
- m) The External Provider shall maintain all G&H Aerospace proprietary data to prevent any disclosure to any outside source unless written authorization is provided by G&H Aerospace and verify the external provider is using the latest version of G & H proprietary data.
- **n)** External providers are required to flow down the G & H terms and conditions to sub-tier contractors and their sub-tier contractors.). The External Provider must have training and plan to prevent the use of counterfeit parts and suspected unapproved parts.
- o) External Provider agrees not to make any change of materials, processes or design details without GHA approval. This requirement applies to the External Provider subcontractors and must be flowed down to sub-tier contractors.

- **p)** External provider must notify GHA of nonconforming processes, products, or services and obtain approval for their disposition;
- **q)** External provider, at GHA request, provide test specimens for design approval, inspection/verification, or auditing;
- r) External Provider shall retain & maintain, and have available, quality records such as inspection reports, test reports and traceability documents that show conformance of the materials, products and/or parts supplied to GHA. The retained documented information must be retained for a minimum of 10 years.
- s) External providers shall give G&H Aerospace, it's customers and regulatory authorities the right of access to the external provider's facilities, systems, data, equipment, personnel and completed articles related to the items purchased by GHA, at any level of the supply change. Since this requirement also applies to subcontractors it must be flowed down to sub-tier subcontractors.
- t) External Provider must provide ethical working conditions.
- u) If an External Provider discovers a product with nonconformity has been shipped to any customer, the External Provider shall inform the GHA within 3 business days in writing by means of a Notice of Escape (NOE). The NOE will identify the affected nonconforming process or part through an NCR with the GHA purchase order number, the part nomenclature, part number, shipment number, quantity, type of nonconformity and effect of the nonconformity. If Nonconformance's identified as affecting flight safety, fit, form or function, the customer notification will be immediate.
- v) External Providers will subject themselves to the jurisdiction of ITAR and EAR regulations as determined by the U.S. State Department's Directorate of Defense Trade Controls with cross reference to the U.S. Munitions List.
- w) External provider shall ensure that persons are aware of:
 - 1. Their contribution to product or service conformity;
 - 2. Their contribution to product safety;
 - 3. The importance of ethical behavior.
- x) External provider must notify GHA prior to changes to required/qualified external providers or location of manufacturing, and obtain GHA's approval.
- y) External provider shall label ozone depleting substance, defined in 40 CFR Part 82, in accordance with 42 U.S.C 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E as applicable.
- **z)** External providers are required to flow down all GHA quality clauses.