

**DYNON AVIONICS
TERMS AND CONDITIONS OF SALE**

1. GENERAL. The terms and conditions stated herein shall be an integral part of any contract to purchase equipment by purchaser (Purchaser) from Dynon Avionics (Seller).

Any statement made on any form issued by Purchaser shall not operate to vary any of these terms and conditions unless specifically agreed upon in writing by Seller.

2. ACCEPTANCE: All orders are subject to acceptance in writing by an authorized employee of Seller.

Some orders will require irrevocable letters of credit and import permits. In those cases, approval of this agreement by Seller will be pending receipt of those documents. Import permits and license certificates should have expiration dates of at least six months from the date of order.

3. ERRORS. Seller reserves the right to correct all typographical or clerical errors or omissions, which may be present in its prices or specifications.

4. WARRANTY. Subject to the exceptions stated below, Dynon Avionics agrees to correct either by repair or at our option, by replacement, any defects in materials or workmanship which develop within three years from the date of shipment, parts and labor supplied free of charge.

The exceptions mentioned above are: (1) All items claimed to be defective must be returned to Dynon Avionics, transportation charges prepaid, and will be shipped prepaid and charged to the customer unless the item is found to be defective and covered by the warranty in which case Dynon Avionics will pay surface transportation charges; (2) Dynon Avionics agrees to extend to the customer whatever warranty is given to Dynon Avionics by suppliers of component items purchased by Dynon Avionics and incorporated into products sold to the customer; (3) Dynon Avionics shall be released from all obligations under this warranty in the event repairs or modifications are made by persons other than its own authorized service personnel, unless such repair is minor, such as merely the installation of a new plug-in component; (4) if any model or sample was shown to Purchaser, such model or sample was shown merely to illustrate the article and not to represent that any article delivered hereunder would conform to the model or sample; and (5) Spare parts are warranted for ninety (90) days.

THE FORGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED, OR STATUTORY. SELLER DOES NOT WARRANT MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR MAKE ANY OTHER WARRANTY OR AGREEMENT EXPRESSED OR IMPLIED WITH RESPECT TO ANY ARTICLES COVERED HEREUNDER. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS CONTRACT.

5. DELIVERY. Risk of loss or damage shall pass upon delivery by Seller to the possession of the carrier unless specified otherwise in the quote or agreed upon in writing by Seller. Shipping rates are approximate and based upon prompt receipt of all necessary information. Seller may make partial shipments.

Seller shall not be liable for delays in delivery or performance or failure to manufacture or deliver, due to (1) causes beyond its reasonable control, or (2) acts of God, acts of the Purchaser, acts of civil or military authority, fires, strikes or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages, or (3) inability on account of causes beyond its reasonable control to obtain necessary labor, materials, components or manufacturing facilities. In the event of any delay, the date of delivery or of performance shall be extended for a period equal to the time lost by reason of the delay.

6. SOFTWARE DOCUMENTS. Software and documentation is furnished under the contract by or licensed to Seller. Seller extends to Purchaser a non-exclusive license to use the software and documentation solely for the operation and maintenance of products purchased under the contract. Seller represents and warrants only that is authorized to enter into this license and that to its knowledge the Purchasers use of the software in accordance with this contract will not infringe or violate the rights of any third party. In the event of a breach of this clause by Purchaser, Seller retains the right to revoke the non-exclusive license granted herein.

Purchaser is acquiring only a license to use the software. Seller, or its licensor, remains the owner of the licensed software. Purchaser agrees that it will not copy, use, or disclose to others such software or documentation or any unpublished information acquired from Seller, except as is required to operate or maintain products purchased under the contract. Purchaser acknowledges that Seller or its licensor owns exclusively all right, title, and interest in the licensed software including all copyright, patent, and trade secret interests and

Purchaser agrees not to take any action to infringe, misappropriate or damage Sellers rights in licensed software. Any unauthorized copying, reproducing use or disclosure constitutes copyright infringement and/or trade secret misappropriation.

7. PAYMENT. All invoices shall be due and payable in United States currency in accordance with the terms shown on the face of this invoice. Delays in transportation shall not extend terms of payment. If the Purchaser has any warranty or other claims due to defective equipment, remedies for claims are expressly provided for herein and payment is not excused or to be delayed. The Purchaser waives all rights to all expressed warranties herein in the event payments are past due. PAST DUE ACCOUNTS WILL BEAR A SERVICE CHARGE OF 1.25 PERCENT PER MONTH ON THE UNPAID BALANCE WHICH CORRESPONDS TO A FIFTEEN PERCENT (15%) YEARLY PERCENTAGE RATE. In the event that the interest rate charged herein is deemed to be in excess of the lawful rate in any jurisdiction enforcing this clause, then the interest rate on past due accounts shall be automatically reduced to the maximum interest rate allowed in such jurisdiction on past due accounts. Further, in the event an account is past due and is referred to a collection agency or to an attorney, the Purchaser agrees to pay the costs of collection including, but not limited to, reasonable attorneys' fees.
8. SECURITY INTEREST. Seller retains a security interest in all equipment sold to Purchaser hereunder until the purchase price and other charges, if any, are paid in full. Upon request of the Seller, Purchaser will execute any document or furnish any notices necessary to perfect the security interest of Seller in the equipment sold hereunder.
9. TAXES AND OTHER CHARGES. Any use tax, sales tax, excise tax, duty, custom inspection or issuing fee, value added tax (VAT), or any other tax, fee, or charge of any nature imposed by any governmental authority shall be paid by the Purchaser in addition to the price quoted or imposed.
10. CANCELLATION. The Purchaser may cancel its order anytime prior to actual shipment without any penalty.
11. MAINTENANCE AND SPARE PARTS. Maintenance and spare parts are not included in the price of the equipment unless specified otherwise in the order and agreed upon in writing by Seller.
12. LIMITATION OF LIABILITY. Seller's liability on any claim of any kind, including negligence for any loss or damage arising out of, connected with, or resulting from this contract, or from the performance or breach thereof, or from the design, manufacture, sale, delivery, repair, installation, technical direction of installation, inspection, repair, operation of use of any equipment covered by or furnished under this contract, shall in no case exceed the price allocable to the equipment or unit thereof which gives rise to the claim.
13. NOTICE. Any notice given by Purchaser or Seller is to be in writing and sent to the address and contact person set forth on the previous pages of this document, and will be effective on receipt. Notices may be sent by fax (confirmed by airmail), or by express delivery.
14. OTHER. Any assignment of this contract or any rights hereunder by the Purchaser without written consent of Seller shall be void.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY OR ALLEGED NEGLIGENCE, SHALL SELLER BE LIABLE FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OR CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF THE PURCHASER FOR SUCH DAMAGES.

The provisions of this contract are for the benefit of the parties thereof and not for any other person.

This contract shall be governed by and construed according to the laws of the state of Washington.

The official language of the contract is English.

No understanding, promise or representation, and no waiver, alteration or modification of any of the provisions hereof, shall be binding upon Seller unless assented to in writing by an authorized representative of Seller.