

WULFSBERG ELECTRONICS

Chelton Avionics, Inc. (d.b.a. Wulfsberg Electronics)

Prescott, Arizona

TERMS AND CONDITIONS OF SALE

APPLICABILITY

Except for the application of overriding General Terms Agreements previously executed between Purchaser and Seller, any purchase Order covering the sale of Seller products contained in this catalog ("Order") shall be governed solely by these Terms and Conditions of Sale ("Conditions of Sale") and any other written provisions mutually agreed upon. Any oral understandings are expressly excluded. Seller shall not be deemed to have waived these Conditions of Sale if it fails to object to any additional or conflicting provisions appearing on, incorporated by reference in, or attached to Purchaser's Purchase Order Form which provisions are hereby expressly rejected. Purchaser's silence or acceptance or use of products constitutes its acceptance to these Conditions of Sale. No modification or addition to these Conditions of Sale shall be effective unless agreed to in writing and signed by an authorized representative of Purchaser and Seller. This catalog and price list does not constitute an offer. Seller reserves the right to reject any Order submitted for its acceptance.

DELIVERY

Delivery shall be made within the time specified on the face of an Order or within Seller's lead-time, whichever is later. Transportation charges shall be prepaid and Purchaser shall reimburse Seller upon receipt of an invoice for such charges. Title and risk of loss shall pass to Purchaser upon delivery of the products at the FOB/EXW point, identified as Seller's dock, unless as otherwise agreed upon in writing by Seller.

INSPECTION AND ACCEPTANCE

The Purchaser shall inspect and accept or reject products delivered pursuant to an Order immediately after Purchaser takes custody of such products. In the event the products do not comply with Seller's applicable drawings, the Purchaser shall notify the Seller of such noncompliance, state in writing to the Seller the reason for such noncompliance, and give the Seller a reasonable opportunity to correct any such noncompliance. The Purchaser shall be deemed to have accepted any products delivered hereunder and to have waived any such noncompliance in the event Seller does not receive written notification that the products delivered hereunder do not comply with the Seller's drawings, within fifteen (15) days after the Purchaser takes custody of the products delivered hereunder.

CHANGES

Seller at all times reserves the right, and is entitled in its sole discretion without consent of Purchaser, to make changes, additions or improvements to the products being delivered under an Order without liability or obligation to incorporate such changes, additions or improvements in any item manufactured, sold or delivered prior to incorporation of the change, addition or improvement.

The Purchaser may, at any time, request changes within the scope of this Order in the drawings, designs, specifications, shipping or packing instructions or place of delivery. All such requests must be approved by the Seller and if any such changes cause an increase or decrease in the cost of, or the time required for performance of this Order affected by such change, an equitable adjustment in the price, the delivery schedule or both shall be made and the Order shall be modified accordingly.

PRICES AND PAYMENTS

Prices are FOB (or EXW for export per Incoterms 2000) Seller's dock unless otherwise specified. Purchase prices are stated in United States dollars, and payment shall be made in United States currency. Invoice terms are net 30 days from date of invoice unless otherwise specified. Prices within this catalog are believed to be accurate; however, Seller reserves the right to correct any inadvertent errors in these prices prior to acceptance of an Order. Seller reserves the right to modify or withdraw credit terms at any time without notice and to require guarantees, security or payment in advance of the amount of credit involved. In the

event payments are not made in a timely manner for an Order, Seller may, in addition to all other remedies provided at law, either: (1) declare Purchaser's performance in breach and terminate an Order for default; (2) repossess the goods for which payment has not been made; (3) withhold future shipments under an Order until delinquent payments are made; (4) deliver future shipments under an Order on a cash with Order or cash in advance basis even after the delinquency is cured; (5) charge interest on the delinquency at a rate of 1½% per month or the maximum rate permitted by law, if lower, for each month or part thereof of delinquency in payment plus applicable storage charges, or inventory carrying charges; or (6) recover all costs of collection including reasonable attorney's fees; and (7) at Seller's option combine any of the above rights and remedies as provided by law.

SETOFF

All amounts that Purchaser owes Seller under an Order shall be due and payable according to the terms of an Order. Purchaser is prohibited from and shall not set off such amounts or any portion thereof, whether or not liquidated, against sums which Purchaser asserts are due it, its parent affiliates, subsidiaries or other divisions or units under other transactions with Seller, its parents, affiliates, subsidiaries or other divisions or units.

EXCUSABLE DELAY

Seller shall be excused from delays in delivery and performance of other contractual obligations under an Order caused by acts or omissions that are beyond the reasonable control and without the fault or negligence of Seller including but not limited to Government embargoes, blockades, seizure or freeze of assets, delays or refusals to grant an export license or the suspension or revocation thereof, or any other acts of any Government, fires, floods, severe weather conditions, or any other acts of God, quarantines, labor strikes or lockouts, riots, strife, insurrection, civil disobedience, war, material shortages or delays in deliveries to Seller by third parties. If the excusable delay circumstances extend for six months, either party may, at its option, terminate an Order without penalty or liability and without being deemed in default or in breach thereof. Alternately, the parties may resolve the matter on mutually agreeable terms.

CANCELLATION

Purchaser reserves the right to cancel any portion of an Order affected by a default of Seller or any insolvency or suspension of Seller's operations or any petition filed or proceeding commenced by or against Seller under any state or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors.

RETURN OF PRODUCT FOR CREDIT

Purchaser is required to notify Seller before returning any product to Seller for Credit. **An RMA number must be assigned before shipping products back to Seller for Credit.** Products returned without prior approval may be refused and returned to Purchaser at Purchaser's expense.

In order for equipment to be considered for Credit return, the following conditions must be met:

1. Equipment must have been shipped from WULFSBERG ELECTRONICS within the past ninety (90) days.
2. Equipment must be in NEW condition and must not have been installed in aircraft.
3. Equipment must meet WULFSBERG ELECTRONICS inspection and testing criteria.

If return authorization is approved, a restocking charge of 20% will be assessed.

DISPUTES

Except as otherwise specifically agreed in writing by Purchaser and Seller, any dispute relating to an Order placed by a Purchaser incorporated in the United States which is not resolved by the parties shall be adjudicated by any court of competent jurisdiction. For Orders placed by a Purchaser incorporated outside the United States, the parties shall resort to binding arbitration under mutually agreed procedures.

APPLICABLE LAW

An Order shall be interpreted in accordance with the laws of the jurisdiction in which the Seller's facility

accepting the Order hereunder is located, exclusive of any choice of law provisions. The Purchaser and Seller expressly agree to exclude from this Agreement the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto.

LIMITATION OF LIABILITY

Seller's liability for any loss or damage arising out of, connected with, or resulting from an Order, or from the performance or breach thereof, or from the design, development, manufacture, sale, delivery, resale, repair or use of any product covered by or furnished under an Order shall in no case exceed the price allocable to the product, or part thereof, or service that gives rise to the claim.

Notwithstanding anything in an Order to the contrary, Seller will not be liable for any special damages, indirect damages, incidental damages, consequential damages, loss of profits, loss of revenues or loss of use of any property or capital of Buyer or any third party, even if the possibility of such damages has been disclosed to Seller in advance or could have been reasonably foreseen by Seller.

These exclusions of types of damages and limitations on the amount of damages set forth shall apply regardless of the theory of liability, whether based on contract, indemnity, warranty, tort, negligence, strict liability or any other legal theory. These exclusions of types of damages shall be deemed independent of, and shall survive, any failure of the essential purpose of any limited remedy under the terms of an Order.

NONDISCLOSURE AND NON-USE OF SELLER'S INFORMATION

Purchaser agrees that it will not use Seller's data for the manufacture or procurement of products which are the subject of an Order or any similar products, or cause said products to be manufactured by or procured from any other source, or reproduce said data and information or otherwise appropriate them without the written authorization of the Seller. Purchaser agrees that it will not disclose or make available to any third party any of Seller's data or other information pertaining to an Order which is proprietary to Seller without obtaining Seller's prior written consent.

PATENT INDEMNITY

Except insofar as an Order calls for products pursuant to Purchaser's designs, drawings or specifications, Seller agrees to pay the amount of any final judgment against Purchaser resulting from a suit claiming that any commercial products manufactured or furnished hereunder, by reason of their manufacture, sale or use, infringes any United States patent which has issued at date of an Order, and Purchaser's reasonable costs and expenses in defense of such suit if Seller does not undertake the defense thereof, provided Seller is promptly notified of the threat or commencement of such suit and is offered full and exclusive control to conduct the defense or settlement thereof. Seller's indemnity shall not apply where infringement would not have occurred from the normal use for which the products were designed. No responsibility is assumed for actual or alleged infringement of any foreign patent. Seller's liability for damages hereunder is limited to those computed solely on the value of any products sold to Purchaser hereunder. In no event shall Seller be liable for consequential damages or costs applicable thereto. In the event any product to be furnished under an Order is to be made in accordance with drawings, samples or manufacturing specifications designated by Purchaser and is not the design of Seller, Purchaser agrees to defend, indemnify and hold Seller harmless to the same extent and subject to the same requirements as set forth in Seller's obligation to Purchaser as above. The above is in lieu of any other indemnity or warranty, express or implied by Seller, with respect to intellectual property (patents, trade secrets, mask works, trademarks, copyrights, or the like).

In the event of any claim that a product furnished hereunder infringes any United States patent, Seller may at its option and expense (a) procure for Purchaser the right to continue using the product, or (b) replace or modify the product so that it becomes non-infringing, or (c) grant Purchaser a credit for such product, less a reasonable depreciation for use, damage, and obsolescence upon its return to Seller. Purchaser agrees to pay all costs and expenses incurred by Seller in its defense and the amount of any judgment against Seller, in any suit or proceeding against Seller based upon a claim of infringement, resulting solely from the Purchaser combining any product furnished hereunder with any item not manufactured or furnished by Seller or from the sale or use of any such combination by Purchaser. Seller shall also indemnify Purchaser's

Purchasers and agents for such infringement, if and to the extent that Purchaser has agreed so to indemnify them, but to no greater extent than Seller has indemnified Purchaser herein and under the same conditions as set forth herein.

In the event any product to be furnished under an Order is to be made in accordance with drawings, samples or manufacturing specifications designated by Purchaser and is not the design of Seller, Purchaser agrees to defend, indemnify and hold Seller harmless to the same extent and subject to the same requirements as set forth in Seller's obligation to Purchaser as above. The above is in lieu of any other indemnity or warranty, express or implied by Seller, with respect to intellectual property (patents, trade secrets, mask works, trademarks, copyrights, or the like).

SOFTWARE LICENSE

In the event that any software or software documentation is provided to Purchaser by Seller in any form whatsoever under an Order and no software license agreement governing this sale has been signed between Purchaser and Seller, Purchaser agrees to accept the terms and conditions stated below effective the date of the first delivery hereunder:

A.) Subject to the terms and conditions herein, the Seller grants to Purchaser a limited, nonexclusive, nontransferable license to use the software or software documentation provided herein: (i) in the course of the normal operation in or with Seller products which are installed, or are intended to be installed, on aircraft, (ii) in the analysis or the formatting of reports using data from such Seller products or, (iii) on Seller or non-Seller products that are used to test, maintain, download, or process information compiled by Seller products.

B.) Making copies of software or documentation, except for one copy for archive purposes, is prohibited unless specifically authorized by Seller in writing. Should such copying be authorized, Purchaser will reproduce and include all Seller proprietary and copyright notices and other legends in the same manner that Seller provides such notices and legends, both in and on every copy of licensed software and documentation and in any form.

C.) The software license and rights granted by Seller to Purchaser hereunder are personal to Purchaser. The licensed software and documentation may not be sub-licensed, transferred, or loaned to any other party without Seller's prior express written consent, except that Purchaser may transfer the licensed software and documentation in conjunction with the resale of any flight equipment or Seller supplied test equipment in which the licensed software and documentation is installed or with which it is used. Such permission to transfer is contingent upon the resale or transfer of Purchaser's agreement to use and protect the confidentiality of the licensed software and documentation under the same or similar terms as those set forth in this software license. Purchaser will, however, notify Seller in writing of the transfer of the licensed software and documentation authorized pursuant to this section.

D.) Purchaser agrees to utilize all licensed software and documentation only as authorized herein. Purchaser may not either itself or with the assistance of others, make modifications to the licensed software and documentation, including, but not limited to, translating, decompiling, disassembling or reverse assembling, reverse engineering, creating derivative or merged works, or performing any other operation on licensed software and documentation to recover any other operation on licensed software and documentation to recover any portion of the program listing, object code or source code or any information contained therein.

E.) Purchaser agrees to accept and retain licensed software and documentation in confidence. Purchaser agrees to take appropriate action by instruction, agreement or otherwise with Purchaser's employees, or agents or other persons who are permitted access to licensed software and documentation as follows to inform said employees, agents or other persons who may come into contact with it of the confidential nature of licensed software and documentation; and to satisfy its obligations under this software license with respect to use, copying, and protection and security of licensed software and documentation.

F.) This software license is effective as of the date of first delivery hereunder and shall continue until terminated by Purchaser for any reason whatsoever upon thirty (30) days prior written notice to Seller, provided Purchaser ceases using and either returns or destroys Seller software and documentation; or by

Seller, if Purchaser does not comply with any of the terms and conditions of this software license and Purchaser fails to remedy such failure within thirty (30) days after having received notice from Seller of such failure.

G.) Notwithstanding the warranties provided elsewhere herein, Purchaser acknowledges that licensed software and documentation may be aircraft or sensor specific and, as such, may require reasonable adjustment or refinement to suit Purchaser's specific requirements. Purchaser shall provide reasonable aid to Seller in accomplishing such adjustments and refinements. Such reasonable adjustments or refinements shall commence on the date of delivery and be provided by Seller to Purchaser for a period not to exceed ninety (90) days unless otherwise provided for in writing.

H.) Purchaser agrees that it will not use the license software and documentation in the performance of a contract, or subcontract, with any Government in a manner so as to affect Seller rights to licensed software and documentation. If Purchaser desires to use the licensed software or documentation in the performance of a contract or subcontract with a Government, prior to such use, Purchaser shall consult with Seller as to the procedures and use of restrictive markings required to protect the ownership interest of Seller.

I.) This license and sale is subject to the laws and regulations, and other administrative acts, now or hereinafter in effect, of the United States and other governments and their departments and agencies relative to the exportation and/or re-exportation of licensed software and documentation. Purchaser acknowledges that it will be responsible for compliance as necessary with such laws, regulations and administrative acts.

J.) Seller agrees to use reasonable efforts to secure any licenses or permits as may now or hereafter be required by the U.S. Government in connection with the performance of Seller obligations under an Order, but this will not be deemed to require any performance on the part of Seller which cannot lawfully be done pursuant to the laws, regulations and acts referred to above.

SPECIAL TOOLING AND DATA

Unless otherwise agreed in writing, all material, software, data processes, equipment, facilities and special tooling, which term includes but is not limited to jigs, dies, fixtures, molds, patterns, special taps, special gages, special test equipment, other special equipment and manufacturing aids and replacements thereof, used in the manufacture of products covered by an Order shall be and remain the property of Seller. Seller retains all rights, title and interest in drawings, engineering instructions, specifications, and all other written data, if any, furnished with the products.

EXPORT

Unless otherwise agreed in writing, or as set forth in these Conditions of Sale, Purchaser shall be responsible for compliance with the export control laws and regulations of the United States, and when required by such laws and regulations shall obtain export and re-export licenses required for goods, services and technical data delivered under an Order. Seller shall not be liable to Purchaser for any failure to provide goods, services or technical data as a result of any following U.S. Government actions: (1) refusal to grant export or re-export license; (2) cancellation of export or re-export license; or (3) any subsequent interpretation of U.S. export laws and regulations, after the date of an Order, that limits or has a material adverse effect on the cost of Seller's performance on an Order.

TAXES

The prices quoted herein do not include sums necessary to cover any taxes or duties including but not limited to Federal, State, Municipal excise, sales or use taxes or import duties upon the production, sales, distribution, or delivery of goods or furnishing of services hereunder. Any taxes or duties that are due and owing hereunder shall be paid by the Purchaser. Accordingly, Seller reserves the right to revise its price after the execution of an Order between the parties to include any and all taxes or duties that may become due hereunder and Seller may invoice Purchaser for said additional amount. This clause shall survive the acceptance and complete performance of an Order by the parties herein.

NON-ASSIGNMENT

The Purchaser shall not transfer or assign in whole or in part this Order or any rights or interests hereunder without the prior written consent of Seller.

WAIVER

Failure by Seller to assert all or any of its rights upon any breach of an Order shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or service. No waiver of any right shall extend to or affect any other right Seller may possess, nor shall such waiver extend to any subsequent similar or dissimilar breach.

SEVERABILITY

If any provision of these Conditions of Sale is determined to be illegal, invalid, or unenforceable, for any reason, then such provision shall be deemed stricken for purpose of the dispute in question, and all other provisions shall remain in full force and effect.

MATERIAL SHORTAGES AND ALLOCATIONS

In the event Seller is unable to obtain in a timely manner material sufficient to fulfill all of its Orders on hand, the Seller shall have the right as a result of said material shortages to equitably allocate lesser quantities of the products to be delivered to all Purchasers on a proportionate basis and the contract price shall be equitably adjusted, taking into consideration, among other things, the reduced quantity of items to be delivered and the increased production costs, if any, to Seller as a result of manufacturing lesser quantities than anticipated.

WARRANTY

DEFINITIONS

Nonconformance: Failure to comply with or failure to operate due to noncompliance with Seller's applicable drawings or having defects in workmanship or material. Normal wear and tear and the need for regular overhaul and periodic maintenance shall not constitute a Nonconformance.

Product: End items, line replaceable units and components thereof, including those returned for exchange or repair.

Seller warrants that at time of delivery to Purchaser, its products will comply with applicable Seller's drawings and will be free from defects in workmanship and material. These warranties shall run to the Purchaser, its successors, assigns, and Purchasers. This warranty is valid as follows:

NEW PRODUCTS

- Wulfsberg Electronics Products - One (1) years from date of delivery to end Purchasers, provided that this delivery occurs within fifteen (15) months of shipment from Seller.

REFURBISHED/USED EQUIPMENT

- Wulfsberg Electronics Products - Six (6) months from date of shipment from the Seller.

REPAIRED EQUIPMENT

- Wulfsberg Electronics Products – Three (3) months limited warranty from date of shipment from the Seller.

Purchaser must notify Seller in writing of the Nonconformance of any Product within the warranty period and return the Product to Seller within thirty (30) days after such discovery.

Seller agrees to assume round trip transportation costs for a nonconforming Product in an amount not to exceed normal (non express) shipping charges within the continental United States or to the nearest authorized avionics repair facility for warranty repair of products delivered under an Order. All import/export fees, taxes, duties, customs fees, documentation fees, and clearance fees shall remain the responsibility of the Purchaser. Please contact Wulfsberg Electronics to obtain a freight courier account number for prepaid shipping of the return.

Should a Purchaser return a non-conforming product via a designated prepaid shipping courier and subsequently the product is determined to be out-of-warranty or warranty is invalid, Wulfsberg Electronics will invoice the Purchaser for repair costs plus round-trip freight charges.

The risk of loss and damage to all Products in transit shall be borne by the party initiating the transportation of such Products. Seller's obligation and Purchaser's remedy under this warranty is limited to either repair or replacement, by Seller's election, of any Product Nonconformance. All items repaired or replaced hereunder shall be warranted only for the unexpired portion of the original warranty period.

Seller shall not be liable under this warranty if the Product has been exposed or subjected to:

1. Any maintenance, repair, installation, handling, transportation, storage, operation or use which is improper or otherwise not in compliance with Seller's instruction; or
2. Any alteration, modification or repair by anyone other than Seller or those specifically authorized by Seller; or
3. Any accident, contamination, foreign object damage, abuse, neglect or negligence after delivery to Purchaser; or
4. Any damage precipitated by failure of a Seller supplied Product not under warranty or by any Product not supplied by Seller.

Seller's obligations under this warranty are conditioned on Purchaser's obligation to maintain records which will accurately reflect operating time and maintenance performed on Seller's Product and establish the nature of any unsatisfactory condition of Seller's Product. Seller, at its request, shall be given access to such records for substantiating warranty claims.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WHICH ARE HEREBY EXPRESSLY DISCLAIMED. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. NO EXTENSION OF THIS WARRANTY SHALL BE BINDING UPON SELLER UNLESS SET FORTH IN WRITING AND SIGNED BY SELLER'S AUTHORIZED REPRESENTATIVE.

Rev. May 15, 2007