

**The following Standard Terms and Conditions Apply to, and  
Supplement, all:**

**Colt Aviation Purchase Orders**

**I. Definitions.** For purposes of these Standard Terms and Conditions, the following definitions apply.

The term “**Article**” or, collectively, “**Articles**” means any item or items purchased by Colt Aviation from a Seller.

“**Seller**” means a company or person that is selling an Article to Colt Aviation.

“**Minimum Fair Market Value**” may be established by the minimum sales price found in records of actual past sales by Colt Aviation, as adjusted by the then industry and market conditions. Where no such records exist, this value may be calculated by Colt Aviation based on other objective factors chosen by Colt Aviation.

The term “**Authorized Repair Facility**” means an appropriately-rated facility from the Colt Aviation list of authorized repair facilities, and includes any facility with which Colt Aviation contracts for repair services.

An Article is considered “**Beyond Economical Repair**” (BER) when the repair charge plus any other charges incidental to repair and to subsequent sale would exceed half of the difference between the purchase price on the purchase order and the Minimum Fair Market Value. An Article is also considered BER if it cannot be repaired in a reasonable amount of time by the Authorized Repair Facility chosen by Colt Aviation (a reasonable amount of time shall be defined as not longer than 90 calendar days). An Article is also considered BER if it cannot be repaired (e.g. sealed units which are impossible to repair, units worn beyond OEM limits, etc.).

The term “**Repairable**” (RP) is a condition code. When used in the context of an Article it means that the Article may be in need of repair but it is not BER.

The term “**As Removed**” (AR) is a condition code. Unless otherwise specified, when used in the context of an Article, it means that (1) the Article has been removed from an aircraft that had a current certificate of airworthiness at the time the Article was removed, (2) there was no reason to believe that the Article was not airworthy at the time of removal, and (3) the Article is not BER.

**II. Loss or Damage.** Notwithstanding any other terminology on the transaction documents, Risk of Loss of an Article passes to Colt Aviation when the Article (1) arrives at Colt Aviation in the case of an Article shipped to Colt Aviation or (2) arrives at the customer’s facility in the case of an Article shipped directly to a Colt Aviation customer. In the event that the Article is lost, stolen, damaged, or destroyed before Risk of Loss has passed to Colt Aviation, the Seller shall be responsible, at Colt Aviation’s sole discretion, for (1) providing to Colt Aviation a replacement Article meeting the same standards as the original Article (including contract terms related to expected arrival), or (2) paying to Colt Aviation all damages

to which Colt Aviation would be entitled if Colt Aviation were to prevail in litigation related to the breach (including but not limited to lost profits and other incidental and consequential damages), or (3) refunding to Colt Aviation all payments made with respect to the lost, stolen, damaged, or destroyed Article, or (4), assuming Seller has not been paid, crediting to Colt Aviation the full invoice amount or voiding the transaction in its entirety.

**III. Documentation.** An Article delivered without Acceptable Documentation (as defined below) will be placed in quarantine until the Acceptable Documentation is provided. Such delay in providing the Acceptable Documentation shall interrupt the receiving of the Article which may delay payment. If such a delay occurs, payment count date will begin on the day the Article is successfully received with all Acceptable Documentation by Colt Aviation.

An Article delivered to Colt Aviation by Seller must be traceable to one of the following certificated sources:

- The Original Equipment Manufacturer (“OEM”)
- An operator with an U.S. FAA Part 91 certificate;
- An operator with an U.S. FAA Part 121 certificate;
- An operator with an U.S. FAA Part 125 certificate;
- An operator with an U.S. FAA Part 129 certificate;
- An operator with an U.S. FAA Part 135 certificate;
- An air agency with an U.S. FAA Part 145 certificate.

The trace documentation must also meet any other specifications on the purchase order.

Unless an alternative or variance is specifically pre-approved by Colt Aviation in writing, Acceptable Documentation means documentation meeting ALL of the following elements:

- A packing slip, invoice, or other commercial document typically used in the aerospace industry from the certificated source and every party thereafter indicating that the Article was released from that source; and one of the following:
  - (a) A non-incident statement from the certificated source indicating that the Article was not previously installed on an aircraft involved in an accident or incident; or
  - (b) A statement from the certificated source indicating that the Article has never been subject to unusual heat, stress, been immersed in saltwater, or environmental conditions that might tend to adversely affect the airworthiness of the Article; and
- A statement that the Article was not procured from any government or any military source; and
- Verification (such as a part marking where appropriate, OEM documentation, or written verification by the certificated source) that the part was produced by the OEM. A RP or AR Article must have a removal tag indicating from which aircraft manufacturer’s serial number or engine serial number the Article was removed. If the RP or AR Article was removed due to failure, then the Article must additionally have an unserviceable tag indicating the reason for removal. If the RP or AR Article’s documentation does not bear a reason for removal or if the reason for removal stated does not accurately identify the issue that needs to be remedied, then the Seller shall rebate to Colt Aviation the fee charged by the Authorized Repair Facility for the tests and analysis necessary to properly diagnose any problems, in order to assure reparability and/or airworthiness at the discretion of the Authorized Repair Facility.

**IV. Shipping Costs.** If the purchase order directs that the Article be shipped according to a particular method, then Colt Aviation will reimburse the Seller for actual shipping costs so long as Seller follows the directions of the purchase order. If the Seller ships in a manner other than the manner directed in the purchase order, then Seller shall pay ALL shipping costs. If the purchase order is silent as to shipping method, then the Seller shall be expected to choose a method of shipping that permits compliance with the terms of the purchase order, and Colt Aviation, at its own discretion, will reimburse Seller so long as the Seller chooses a compliant method of shipping.

**V. Colt Aviation Inspection.** Unless a longer time period is stated in the purchase order, Colt Aviation shall have 45 calendar days after delivery to Colt Aviation in which to inspect the Article. Colt Aviation shall notify Seller of discrepancies found during this inspection period. In the event that Colt Aviation discovers discrepancies during inspection, Seller shall accept the return of the Article. What constitutes a discrepancy shall be at Colt Aviation's sole discretion. In such an event, cost of return shipping shall be borne by Seller. In the event that Colt Aviation needs additional time in which to inspect the Article, Colt Aviation shall send Seller a request for additional time to complete the inspection of the Article (the "Inspection Period Extension Request"). The additional time requested in the Inspection Period Extension Request shall not exceed 90 days from the delivery date to Colt Aviation and Seller shall either (1) provide Colt Aviation the additional time requested in the Inspection Period Extension Request, or (2) accept return of the Article.

**VI. Article Representation.** Seller warrants that Articles will be in the condition identified in Colt Aviation's purchase order. In the event that an Article does not meet the condition identified in the purchase order, and the discrepancy could not have been discerned upon receiving inspection, Colt Aviation may make a claim by notifying the Seller in writing of the discrepancy. Unless the purchase order specifies that the part is permitted to be in BER condition, a part that is found to be BER constitutes a violation of the Article representation and Colt Aviation Purchase Order Standard Terms and Conditions.

**VII. Warranty.** This warranty period begins on the date of delivery of an Article to Colt Aviation, lasts for a period of one year for overhauled or new Articles, lasts for a period of six months for inspected or repaired Articles, and lasts for a period of three months for AR Articles. Discrepant Articles may be returned to Seller within this warranty period. In such an event, the cost of return shipping shall be borne by Seller.

**VIII. Timing.** In all Colt Aviation purchase orders, unless otherwise specified, time is considered of the essence with respect to Seller's obligations. If no lead time is specified in the purchase order, then Seller must ship the ordered Article within 24 hours of the purchase order. The Seller must provide Colt Aviation with a copy of the airway bill number under which the Article is shipped by the shipping deadline. Failure by a Seller to meet a deadline specified in any purchase order or other agreement with Colt Aviation, or to provide the airway bill number, will be considered a material breach, and Colt Aviation will be entitled, at its discretion, to cancel the order.

**IX. Jurisdiction.** All agreements made by Colt Aviation are made in Texas and shall be governed by and interpreted in accordance with the laws of Texas, not including the state's conflict of laws' provisions. Both parties agree that any suit or proceeding based on any matter arising out of or brought in connection with the parties' dealings are subject to these Purchase Order Standard Terms and Conditions, or to enforce any clause of any such agreement, shall be brought in a trial court in Tarrant County, Texas. Both parties agree to be subject to the personal jurisdiction and venue of that court.

**X. Costs and Attorneys' Fees.** In the event that Colt Aviation incurs fees or costs for a collection agent or attorneys' services or in connection with its use of an arbitrator, mediator, court system, or other legal proceeding in order to collect a payment of any amounts owed to Colt Aviation by Seller or otherwise enforce any of Colt Aviation's rights' or Seller obligations under any agreement subject to these Purchase Order Standard Terms and Conditions, Seller shall be obligated to pay to Colt Aviation any and all costs and fees (including attorneys' fees) associated directly or indirectly with any such actions by Colt Aviation.

**XI. Compliance.** The Seller covenants that ALL Articles shipped by or at the request of Seller in compliance with U.S. laws and with the laws of any jurisdiction through which the Articles are shipped.

**XII. Indemnification.** Seller agrees to defend, hold harmless, and indemnify Colt Aviation, its affiliated companies, their directors, officers, employees and agents from and against any and all present and future liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever (including all costs, expenses and reasonable attorneys' fees incidental thereto) which are or may be suffered by, accrue against, be charged to, or be recoverable by reason of any loss or damage to property or injuries or death of any person arising from the Article that is the subject of these Purchase Order Standard Terms and Conditions.

**XIII. Rejection of Amendments / Additions.** No amendments or additions to these Purchase Order Standard Terms and Conditions of the transaction will be accepted unless they are in writing and signed by both Colt Aviation and the Seller.

## The following Standard Terms and Conditions Apply to, and Supplement, all:

### Colt Aviation Sales Orders and Confirmations

**I. Definitions.** For purposes of these Standard Terms and Conditions, the following definitions apply.

The term “**Article**” or, collectively, “**Articles**” means any item or items sold by Colt Aviation to a Customer.

The term “**Authorized Repair Facility**” means an appropriately-rated facility from the Colt Aviation list of authorized repair facilities, and includes any facility with which Colt Aviation contracts for repair services.

“**Customer**” means a company or person that is purchasing an Article from Colt Aviation.

The term “**Mature Article**” means any inspected, repaired, overhauled, or new Article where the airworthiness approval certificate is over three years old.

The term “**Pass/Fail Article**” means any Article that cannot be repaired beyond a general pass or fail inspection. A Pass/Fail Article can be, but is not limited to inspected, repaired, overhauled, or new conditions. A Pass/Fail Article includes, but is not limited to, ALL sensors, probes, harnesses, and antennas.

The term “**Return Merchandise Authorization**” (“**RMA**”) means a written authorization issued by Colt Aviation to authorize the return of an allegedly discrepant Article. A RMA is issued by Colt Aviation at its sole discretion.

The term “**Merchandise Mutilation Authorization**” (“**MMA**”) means a written authorization issued by Colt Aviation to authorize the mutilation of an allegedly discrepant Article. A MMA is issued by Colt Aviation at its sole discretion.

**II. Loss or Damage.** Notwithstanding any other terminology on the transaction documents, Risk of Loss of an Article passes to the Customer when the Article (1) is delivered to the carrier who will be responsible for carriage from Colt Aviation in the case of an Article shipped to a Customer or (2) is claimed by the Customer in the case of an Article picked-up at Colt Aviation or Colt Aviation’s Authorized Repair Facility by the Customer or the Customer’s agent. In the event that the Article is lost, stolen, damaged, or destroyed before Risk of Loss has passed, the Customer must notify Colt Aviation, in writing, within 5 business days of the loss or else the Customer waives any right to compensation and remains responsible for the purchase price. In the event that the Article is lost, stolen, damaged, or destroyed after leaving Colt Aviation or Colt Aviation’s Authorized Repair Facility, the Customer shall be obligated to pay all the amounts that would be due and payable to Colt Aviation if no such loss, theft, damage, or destruction occurred. In all events, the Customer is expected to insure its Articles against loss. If Customer fails to insure Article against loss, then the Customer does so at its own peril.

**III. Documentation.** All Articles sold by Colt Aviation shall have trace documentation to the extent described in the sales confirmation.

**IV. Shipping Costs.** If the Purchase Order directs that the Article be shipped according to a particular method, then Customer will reimburse Colt Aviation for actual shipping costs so long as Colt Aviation follows the directions of the Purchase Order. If the Purchase Order is silent as to shipping method, then Colt Aviation shall pay shipping and shall be expected to choose a method of shipping that permits compliance with the terms of the Purchase Order, and customer will reimburse Colt Aviation for shipping charges. If Colt Aviation ships in a manner other than the manner directed in the Purchase Order, then Colt Aviation shall cover any excess charges in shipping (excess is defined as charges in excess of the cost of the manner directed in the Purchase Order), as estimated by Colt Aviation, and shall be expected to choose a method of shipping that permits substantial compliance with the objectives stated in the Purchase Order.

**V. Pricing and Payment.** Colt Aviation requires a minimum purchase order amount of \$250.00 USD. Quoted prices are valid for thirty (30) days and subject to prior sale. Subject to credit approval, all balances must be payable net thirty (30) days or as otherwise provided for in the Quotation. All past due amounts shall bear interest at a rate of one and one-half percent (1.5%) per month or the maximum amount permitted by law commencing on the due date until the date the invoice amount is paid in full. Customer agrees to pay any and all costs of collection including attorney's fees in the event it becomes necessary to enforce the payment of Seller's invoices. Customer shall not have a right to set-off amounts due to Seller hereunder against any amount owed by Seller to Customer.

**VI. Customer Inspection.** Customer shall inspect the Article delivered to Customer by or on behalf of Colt Aviation within five business days of receipt. Customer must notify Colt Aviation in writing of any discrepancies found during the inspection period. In the event that Customer notifies Colt Aviation, in writing, of discrepancies before the expiration of the inspection period, Customer shall have five business days from the day Customer provided Colt Aviation with the discrepancy, in writing, to request a RMA. If a RMA is requested within the time specified in the preceding sentence, and Colt Aviation provides the RMA, the Customer shall return the Article in accordance with section VII of these Standard Terms and Conditions or in accordance with other written instructions provided by Colt Aviation in connection with such RMA.

**VII. Warranty.** Colt Aviation warrants that Articles will be in the condition identified in the documentation. In the event that an Article does not meet the condition identified in the documentation, and the alleged discrepancy could not have been discerned during the shipping inspection, Customer may make a warranty claim by notifying Colt Aviation in writing of the alleged discrepancy and asking for a RMA for warranty consideration. The warranty period begins on the date of invoice, lasts for a period of one year for new and overhauled Articles (other than Mature or Pass/Fail Articles), six months for repaired Articles, (other than Mature or Pass/Fail Articles), 30 calendar days for Mature or Pass/Fail Articles and 30 calendar days for inspected Articles. Once Colt Aviation has issued a RMA, the allegedly discrepant Article must be returned to Colt Aviation for a warranty claim within this warranty period (unless return is waived by Colt Aviation in favor of mutilation).

In response to a written notification of discrepancy under the inspection or warranty provisions of these Standard Terms and Conditions, Colt Aviation may (1) reject the claim if the claim is not authorized under the inspection or warranty provisions of these Standard Terms and Conditions, (2) issue a RMA and accept the return of the Article (in such an event, cost of return shipping shall be borne by Customer), or (3) issue a MMA, direct the Customer to mutilate the Article and to certify mutilation in writing, and accept the mutilation certificate of the Article. The choice of whether to issue a RMA or a MMA shall be at Colt Aviation's discretion.

Unless pre-written approval is authorized by Colt Aviation, all warranties, expressed or implied, shall immediately cease if Article is compromised or tampered with by the Customer, an unauthorized repair facility, or other facility opening the Article or tampering with or removing any protective warranty label or sticker from the Article.

THESE WARRANTY TERMS REPRESENT THE SOLE REMEDIES AVAILABLE TO A CUSTOMER, AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. COLT AVIATION SHALL NOT BE LIABLE FOR ANY WARRANTY OF MERCHANTABILITY OR FOR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. COLT AVIATION SHALL NOT BE LIABLE FOR CONSEQUENTIAL, NOR INCIDENTAL NOR SPECIAL, NOR PUNITIVE DAMAGES FOR ANY CAUSE OF ACTION THAT ARISES AS A CONSEQUENCE OF, OR IN RELATION TO, THE TRANSACTION SUBJECT TO THESE STANDARD TERMS AND CONDITIONS.

**VIII. Returns.** Customer may not return an Article to Colt Aviation unless Colt Aviation has issued a RMA including a RMA number for the return. RMAs may be issued for alleged discrepancies when reported in accordance with section V of these Standard Terms and Conditions. RMAs may be issued for returns for credit at Colt Aviation's sole discretion.

An Article sold by Colt Aviation under these Standard Terms and Conditions that is returned to Colt Aviation with a request to issue full credit must be (1) in unused and airworthy condition, (2) returned with original certifications and documentation accompanying the Article when shipped by Colt Aviation (or on Colt Aviation's behalf) to Customer, and (3) accompanied by a written certification, signed by an authorized person on behalf of the returning Customer and any other parties which had the Article in their possession, certifying that the Article has not been installed, and that no attempt has been made to install it, since its receipt by the Customer and other parties. Such Article shall be subject to a restocking fee in the amount of (a) 15% of the total sale price for the Article or (b) a minimum fee of \$250, whichever is greater. Upon receipt by Colt Aviation, such Article may be sent to an Authorized Repair Facility for evaluation at Colt Aviation's discretion. If Colt Aviation or the Authorized Repair Facility determines that the Article does not meet one or more of the conditions specified in items (1) through (3) of this paragraph in this Section VII, then (i) the warranty claim shall be denied, (ii) Customer shall not be entitled to a refund, and (iii) Customer shall be obligated to pay the total sale price for the Article and any costs associated with restoring the Article to the condition in which the Article had been when shipped by Colt Aviation (or on Colt Aviation's behalf) to Customer and/or evaluation fees or any other costs associated with the determination that the Article does not meet one or more of the conditions specified in items (1) through (3) of this paragraph in this Section VII. If the Authorized Repair Facility finds that any found discrepancies are the result of the mishandling, use, or other incidents

which occurred after the Article left Colt Aviation's control, then Customer shall be obligated to pay all fees identified in these Standard Terms and Conditions.

**IX. Customer Solvency.** Customer warrants that it is solvent and has no knowledge of any impending insolvency proceedings against it at the time of the transaction.

**X. Timing.** In all Colt Aviation agreements, unless otherwise specified, time is considered of the essence. Failure by a Customer to meet any of the deadlines specified in any of Colt Aviation's contracts shall be considered a material breach of such contract.

**XI. Jurisdiction.** All agreements made by Colt Aviation are made in Texas and shall be governed by and interpreted in accordance with the laws of Texas, not including the state's conflict of laws' provisions. Both parties agree that any suit or proceeding based on any matter arising out of or brought in connection with the parties' dealings under the agreement are subject to these Standard Terms and Conditions, or to enforce any clause of any such agreement, shall be brought in a trial court in Tarrant County, Texas. Both parties agree to be subject to the personal jurisdiction and venue of that court.

**XII. Costs and Attorneys' Fees.** In the event that Colt Aviation incurs fees or costs for a collection agent or attorneys' services or in connection with its use of an arbitrator, mediator, court system, or other legal proceeding in order to collect a payment of any amounts owed to Colt Aviation or otherwise enforce any of Colt Aviation's rights' or Customer obligations under any agreement subject to these Standard Terms and Conditions, Customer shall be obligated to pay to Colt Aviation any and all costs and fees (including attorneys' fees) associated directly or indirectly with any such actions by Colt Aviation.

**XIII. Compliance.** The Customer warrants that all Articles will be used in compliance with U.S. laws. The Customer warrants that Article will not be subsequently used nor shipped in violation of U.S. laws, including U.S. export laws and U.S. hazardous materials laws. The Customer warrants that Articles will not be subsequently used nor shipped in violation of the laws of any jurisdiction through which or into which the Articles are shipped.

**XIV. Indemnification.** Customer agrees to defend, hold harmless, and indemnify Colt Aviation, its affiliated companies, their directors, officers, employees and agents from and against any and all present and future liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever (including all costs, expenses and reasonable attorneys' fees incidental thereto) which are or may be suffered by, accrue against, be charged to, or be recoverable by reason of any loss or damage to property or injuries or death of any person arising from the Article that is the subject of these Standard Terms and Conditions.

**XV. Rejection of Amendments / Additions.** No amendments or additions to these Standard Terms and Conditions of the transaction will be accepted unless they are in writing and signed by both Colt Aviation and the Customer.