



AIRCORPS AVIATION

General Terms and Conditions

2021.12a

The purpose of this agreement is to establish the terms and conditions under which AirCorps Aviation/ Aeroscan (the “Company”), will perform fabrication and or reverse engineering services for the party executing a purchase order issued pursuant to these Terms and Conditions (the “Customer”). The Company and the Customer agree as follows:

Quotations

- Quotes must be accepted within the time period listed from the quote date, unless otherwise agreed. Upon expiration of the number of day currency, a new quote can be reissued upon request.
- All drawings, digital data, know-how, and confidential information supplied to the Company by the Customer will remain the property of the Customer and will be kept confidential by the Company.

Project Deliverables - Orders

- **Offer and Acceptance;** The Customer’s purchase order (PO) constitutes an agreement to purchase the goods and services described therein at the price & quantity indicated, subject to the terms and conditions set forth in this document and or quote provided by the Company. If the Company rejects or notes conflicts in the Customer’s PO, written communication shall be provided identifying any differences or conflicts to the agreement. Subsequently, an agreement to the Customer’s PO line items will be returned in the form of a Sales Order Acknowledgement (SO).
- **Project Deliverables;** Changes and Modifications - During the term of the Project Agreement (PO Acceptance to Order Delivery) the Company will perform the deliverable as outlined in the initial quotation. Additions, changes or modifications to the project deliverables may necessitate revisions to the project overview, objectives, assumptions and delivery timeline. The Company reserves the right to identify these changes in the deliverable at any point in the project timeline. The Customer will be alerted to these changes in the deliverable through a formal Company Vendor Deviation Request Form (VDR). Any additions or revisions to the tasks defined in the Project Deliverables may add to the cost of this project and will allow for a separate or revised quotation and purchase order to provide for additional expenses incurred.
- **Changes;** No orders deliverable or scope of work shall be changed unless notice of revision is made and accepted in writing before it is in process. If work is in process, and the Customer orders hold or work stoppage due to changes or incomplete information, the Company reserves the right to bill at a \$300 per day until work is reinstated.

- **Specifications;** The Customer shall be responsible for ensuring accuracy of the terms of any order, including any applicable submitted specification(s), and for giving the Company any necessary information relating to the goods and/or services within a sufficient time to enable the Company to perform the contract in accordance with its terms. Incomplete or delayed information may result in halted or delayed deliveries that are no fault of the Company.
- **Cancellations;** Cancellations of orders are to be made only by mutual consent of Customer and Company. The Company has the right to review the order status and report back any current costs and request compensation for services incurred prior to cancellation.
- **Product overruns;** Unless otherwise stipulated, the Customer shall accept an overrun of 10 percent above quantities specified on order at an additional cost. However, the Company is to make an effort at all times to furnish as near the exact quantity specified as operating conditions will permit.

Terms of Payment

- Net Payment terms are defined at the time of quotation. **Unless noted otherwise on the quotation or absent other arrangements made in writing, payment is due in US\$ (dollars) NET 15 days from invoice date.** A completed Company Credit Application form is requested at time of order. Credit Card payments will incur a 3.5% surcharge. Send payment to PO Box 847 Bemidji, MN 56619.
- Contact email: accounting@aircorpsaviation.com
- Payments are due according to these terms from the date of the Company's invoice. Invoices are initiated at the date/ time of shipping date unless otherwise requested by the Customer or in the quotation terms of the Company.
- Charges not paid by invoice due date are considered delinquent and will bear interest at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law. Any objection which the Customer has to any item listed on an invoice must be brought to the Company's attention by the Customer, in writing, within fifteen (15) days of the date of the invoice(s); otherwise, the invoice is deemed to be proper and accurate as sent.

Risk of Loss

- Title to Products will pass to the Customer, and Customer will assume all risk of loss of products, upon delivery thereof by Company to Customer, or any agent or carrier designated by Customer.

Warranty and Liability

- The Company hereby warrants and represents that the products shall be free from defects in material and workmanship for a period of 30 days from the Delivery Date. Any product that does not conform to the quality standards of the Company or is otherwise defective at the time of delivery may be rejected and returned to the Company. Liability under this warranty is limited to repair or replacement of any parts or products which prove to be defective within that time or a credit or refund of the purchase price at the Company's option, provided the products have been returned within 30 days of the date of purchase. In no case is the Company liable beyond replacement of products F.O.B.

factory or the full purchase price. This warranty does not apply if the product is abused, altered or otherwise misused in any way.

Force Majeure

- Neither party shall be liable for its failure to perform due to any occurrence beyond its reasonable control, including acts of God, fire, floods, war, terror, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances and regulations, allocations and price restrictions, inability to obtain material, equipment or transportation, or any other similar occurrence; provided, however, Customer's payment for Products produced and shipped shall not be suspended by any event of force majeure. The party whose performance is prevented by any such occurrence shall promptly give written notice to the other party of the cessation of performance.

Indemnification

- The Customer will indemnify the Company and hold it harmless from any loss, cost, damage or expense, including attorneys' fees, arising from any breach of the representations and warranties set forth in this Agreement, including any claim of death or injury to persons or damage to property arising out of, or attributable to, the goods or services, including without limitation, defects in design, materials or manufacture, except to the extent that such loss, cost, damage or expense results solely from our negligence.

Ownership

- All information made available to the Company that is proprietary to the Client or produced by the Company pursuant to this project agreement, shall be considered the proprietary property of the Client and shall not be used for any other purpose except under express written permissions. The Company agrees that the Client shall have sole ownership and title to all rights and legal interest in all the data, drawings, designs, analyses, reports, products, and physical property created custom for its projects. All inventions, discoveries, and improvements which are conceived or reduced to practice during the Companies performance are hereby assigned to the rights and interests of the Client. The foregoing agreement does not pertain to information which is not specific to the Client's products or business interests. It also does not include any processes or methods developed by the Company which are used by the Company to carry out its services and the parties acknowledge that the Company retains its ownership interest in such.

Packing and Shipping

- The Company will make all attempts to suitably pack or otherwise prepare for shipment so as to guarantee safe arrival. Any additional charges for packing, crating, cartage or delivery unless otherwise stated on the Companies quote will be avoided. Each container shall be marked to show order number and delivery address, and itemized packing sheets shall accompany each shipment or delivery.

(Black notes are established, Blue notes are open for review/ comment/ confirmation yet)

- Tooling ownership.... insert above or
 - Should be added above or a unique subject?
 - Costs for inventorying?
- Inspections paragraph....
- Special Packing or Shipping costs?
- Subcontracting - do we disclose that we may subcontract some processes?