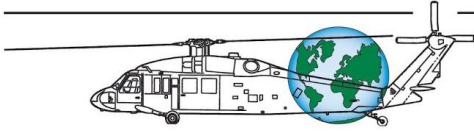


ALL-SYSTEM

AEROSPACE INTL., INC.



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SALES ORDER (SO) STANDARD TERMS AND CONDITIONS

1. **DEFINITIONS.** The clause at FAR 52.202-1, Definitions, is incorporated herein by reference. The following additional definitions apply unless otherwise specifically stated: “Buyer” - The legal entity issuing an Order; “Order” - Purchase Order, Change Order, Subcontract or Contract for the product(s); “Quote” - Quote or Proposal; “Seller” - All-System Aerospace Int’l., Inc. (or) Heli-Sysco, Inc.

2. **ORDERS/ ORDER AMENDMENTS.** These Terms and Conditions form part of each Order Buyer may issue to Seller. Each Order should, at a minimum, contain a description of the product(s) and identify the Seller part number, specifications or drawings (if applicable), quantities, prices, delivery schedule and place of delivery. Each Order or change to such Order must be signed (or authenticated if this is an electronic order) by both parties authorized representatives.

3. **AGREEMENT/ ACCEPTANCE/ MODIFICATIONS:** This Quote is Seller’s offer to Buyer and acceptance is expressly limited to these terms without additions, deletions, or other modifications. No change or modification to these Term and Conditions will be binding unless signed (or authenticated if this is an electronic order) by both parties authorized representatives.

4. **PRICE:** The Buyer shall pay Seller in U.S. Dollars for the Goods and Services. Prices are exclusive of taxes and duties, as described in Article 16 (Taxes and Duties). The price shall be paid in the amounts and at the times shown in Article 5 (Terms of Payment).

5. **TERMS OF PAYMENT:** Payment shall be made in immediately available U.S. dollars free and clear of any deductions and/ or withholdings as follows: **5.1.** Payments shall be made to Seller’s account and shall be Net 30 days, subject to credit approval; 5.1.1. In the absence of credit approval, payment terms will either be prepaid or COD as defined in the Quote; 5.1.2. Prepayments are subject to collection; 5.1.3. In the event a credit card is utilized, additional handling charges will apply. **5.2.** Buyer will be liable for all costs associated with non-payment, including but not limited to attorney and collection fees.

6. **DELIVERY:** **6.1.** Seller’s standard commercial packaging is in accordance with best commercial practices; **6.2.** Bar code labels, when required, will be in accordance with MIL-STD-129. **6.3.** Delivery of the Goods shall be FOB Origin (United States Shipping Terms). **6.4.** Delivery and payment dates are calculated form the actual receipt date of an Order at Seller. **6.5.** Buyer is responsible for providing the choice of freight forwarder and account information, if preferred carrier. Otherwise Seller will select the most economical means of carriage. Buyer is responsible for all carriage costs.

7. **EXPORT CONTROL (For Military Items):** **7.1.** All Quotes and resulting Orders must include the End User and End Destination information. Orders will not be processed until Seller receives a properly executed End User Statement. Orders intended for domestic use must be placed to Heli-Sysco, Inc.

7.2. The product(s) included in this Quote may be subject to ITAR and may require U.S. Government authorization for export. This hardware may not be resold, diverted, transferred, transshipped, or otherwise disposed of in any other country, either in original form or after being incorporated through n intermediate process into other end items, without the prior written approval of the U.S. Department of State. **7.3.** Seller shall not be responsible for all losses, costs, claims, causes of actions, damages, liabilities and expenses, including attorney’s fees, all expenses of litigation and/or settlement, and court costs, arising from any act

or omission of Buyer, its officers, employees or agents, in the performance of any if its obligations under State Department requirements of this clause. **7.4. Import of repair items:** the information required for the application of a DSP-61 license is the responsibility of the Buyer

8. **RISK OF LOSS AND TRANSFER OF TITLE:** Risk of loss for all Goods shall pass to the Buyer after the Goods are placed in possession of the selected freight forwarder or carrier. Title to Goods shall pass to the Buyer when final payment for the Goods is received by Seller. Title and risk of loss for Buyer Furnished Equipment shall remain with the Buyer at all times.

9. **INSPECTION AND ACCEPTANCE:** A Certificate of Conformance execute by Seller shall constitute final inspection and acceptance. If other documents are required such as 8130 Tags, Manufacturer's Certificate of Conformance, Test Reports, PMA or special labeling, additional charges may apply.

10. **EXCUSABLE DELAYS/ FORCE MAJEURE:** **10.1.** Seller shall not be held responsible or deemed to be in default of a resulting Order, for delays in the delivery of or failure to deliver Goods, or delay in completion of or failure to complete Services cause by, but not necessarily limited to, the following:

Acts of God or the public enemy; civil war, insurrections or riots; acts or threats of terrorism; floods; explosions; earthquakes or serious accidents; unusually severe weather; epidemics or quarantine restrictions; any act of government; governmental priorities or allocation regulations or orders affecting materials, labor, equipment, facilities and completed hardware; fuel or material shortage; freight embargoes; strikes or labor troubles causing cessation; slowdown or interruption or work; delay in performance of a Subcontract by a Subcontractor due to any of the events considered above; and any other similar event, whether foreseeable or unforeseeable, which is beyond Seller's control and without its fault or negligence. **10.2.** Seller shall notify the Buyer of such failure or delay within thirty (30) days from the date of actual occurrence of the Force Majeure cause, if possible, and an adjustment to the delivery schedule shall be negotiated as required in accordance with Article 12 (Amendments)

11. **WARRANTY AND REPAIR:** **11.1.** Non-consumable parts are covered under warranty for twelve (12) months from the date of invoice. Seller's warranty specifically excludes any damage due to mishandling, misuse, abuse or alteration. Product(s) covered under warranty shall be repaired or replaced, At Seller's option. **11.2.** Consumable Goods delivered by Seller under any resulting Order are delivered as is, and without warranty of any kind, express or implied (except to title). **11.3.** Seller's product(s) are proprietary and only Seller is authorized to repair or replace Seller's product(s). **11.4.** Seller's product(s) requiring repair and/or are covered under warranty must be returned freight prepaid to Seller's facility. Buyer is required to contact Seller's authorized representative for an RMA number prior to return of Seller's product(s). **11.5.** Seller's liability is limited to the cost of the returned product(s)

12. **CHANGES:** Buyer and Seller may at any time, by written notice, make changes in the specifications, designs or drawings, samples or other description to which the product(s) are to conform, in methods of shipment and packaging, or place of delivery. If such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this Order, an equitable adjustment shall be made in the price of delivery schedule, or both, and this Order shall be modified accordingly. Any claim for an equitable adjustment must be made within thirty (30) days of the receipt of such notice. The equitable adjustment shall be made based on negotiations between Buyer and Seller.

13. **BUYER FURNISHED EQUIPMENT:** If in the performance of an Order, it becomes necessary to utilize Equipment provided by the Buyer, the Buyer Furnished Equipment (BFE) is to be supplied in certified serviceable condition, fit for its intended purpose. Seller shall receive equitable adjustment to the delivery schedule and Order price due to late delivery of Buyer Furnished Equipment or the failure of the Buyer Furnished Equipment to meet the established performance and interface requirements. Title to BFE shall remain with Buyer at all times. Seller shall be responsible for care, maintenance, use and records of BFE. Unless otherwise directed in writing by the Buyer, all remaining BFE shall be returned to Buyer upon the completion or termination of the Order.

14. **STOP WORK. 14.1.** When directed by written notice from Buyer, Seller will immediately stop all or part of the work relating to an Order to the extent specified in the notice for a period of up to ninety (90) calendar days or longer if extended by mutual agreement. Within such period of any suspension or work, Buyer shall: 14.1.1. Cancel the suspension of work order; 14.1.2. Terminate this contract in accordance with Article 15 (Termination for Convenience); or 14.1.3. Extend the stop work period.

14.2. Notwithstanding the above, Orders for expedited product(s) are non-cancelable

15. **TERMINATION FOR CONVENIENCE: 15.1.** Notwithstanding any other provisions of an Order, the Buyer may by written notice terminate for its convenience the whole or any parts of an Order upon providing ten (10) days notice thereof. Upon receipt of such notice, the Seller shall immediately cease work, including but not limited to the manufacture and procurement of materials for the fulfillment of the terminated portion of an Order. Termination charges equal to a minimum of 50% will apply to the cancelled portion of the Order unless otherwise specified.

15.2. In the event of termination pursuant to Article 15.1. above, Buyer and Seller will mutually agree upon an adjustment of the Order price. **15.3.** Failure to agree will result in a dispute under Article 28 (Dispute)

16. **TAXES AND DUTIES: 16.1.** The price for the Goods and Services does not include any sales, use, personal property, value-added, excise or similar tax or assessments which may be imposed by any government authority upon this sales transaction, the Goods or the use of the Goods by the Buyer. The Buyer agrees to pay and indemnify Seller against such taxes or assessments (including interest or penalties) that may arise from nonpayment, as well as any withholding taxes, customs, duties or other assessments by any governmental authority so that in all instances Seller receives payment (after any taxes or assessments) equal to the total price specified herein. The Buyer agrees to execute any documentation necessary to avoid the imposition of or receive exemption from applicable taxes. These provisions shall inure to any successor or assignee of Buyer. **16.2.** Buyer and Seller agree that the Buyer is liable for all amounts described in Paragraph (a) above. Seller shall promptly notify the Buyer within thirty (30) days if a claim is made by any jurisdiction against Seller for any such taxes.

17. **ASSIGNMENT OR SUBCONTRACTING:** An Order and the rights and obligations thereof shall inure to the benefit of the Parties hereto, their respective successors and assignees, but neither Party may assign the obligations set forth in an Order to any third Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Seller has the right to subcontract this Quote and a resulting Order or any parts thereof to any Seller's affiliated company Heli-Sysco, Inc.

18. **LIMITATION OF LIABILITY/ INDEMNIFICATION: 18.1.** In no event shall Seller be liable under any theory of tort, contract, negligence, strict liability, or other legal or equitable theory under or in connection with an Order for incidental or consequential damages or for specific performance or for the Buyer's cost of cover. **18.2.** Buyer shall indemnify and save harmless Seller, its subsidiaries, affiliates, officers, employees, and subcontractors, from and against any and all liabilities, damages and losses including costs and expenses in connection therewith, for death of or injury to any persons whomsoever and, for the loss of, damage to or destruction of any property whatsoever, caused by, arising out of or in any way connected with the possession, use or disposition of the Goods or of the Buyer Furnished Equipment into which the Goods are incorporated, or performance of the Services, except where such liability, damage, or loss is the result of the gross negligence or willful misconduct of Seller, its officers or employees.

19. **INVENTIONS:** Seller shall own all right, title, and interest in all inventions, designs, or discoveries conceived or reduced to practice solely by its employees during the performance of an Order, and in the related copyright, patent, trade secret, and other proprietary rights therein. In the event of joint inventions, the Parties shall establish their respective rights by negotiations between them.

20. **NO LICENSE:** Except as expressly provided herein, no license to the other Party, under any trademark, trade secret, copyright, other property rights, or applications which are now or may thereafter be owned by such Party, is either granted or implied by the conveying of information to that Party. None of the information which may be submitted or exchanged by the Parties shall constitute any representation,

warranty, assurance, guarantee or inducement by any Party to another with respect to the infringement of trademarks, trade secrets, patents, copyrights, other intellectual property rights or any right of privacy, or other rights of third persons.

21. **PROPRIETARY INFORMATION:** During the term of an Order, it is expected that each of the parties may disclose to the other Party, data and information that the disclosing Party considers to be proprietary and/or confidential. Disclosure and protection of any proprietary or confidential data exchanges under an Order will be in accordance with the terms and conditions of a Proprietary Information Agreement (PIA) or similar, executed by and between the Parties.

22. **NO RESTRICTIONS ON SELLER'S PRODUCT(S):** Nothing contained in this Quote or a resulting Order shall prevent Seller from manufacturing, using, selling or licensing its product(s), associated items, or data anywhere in the world.

23. **WAIVERS:** No Party shall be deemed to have waived any provision of an Order unless expressly so stated in writing and signed by Seller.

24. **STATUS AND PUBLICITY:** It is expressly understood and agreed that neither Party is an agent of the other. Buyer agrees not to use Seller's name in any news release, advertising or publicity regarding an Order without prior written consent. Prior to release, copies of the written or oral announcement in which Seller's name is mentioned shall be forwarded to Seller, in accordance with Article 29 (Notices)

25. **SEVERABILITY:** The invalidity or unenforceability of any particular provision of an Order shall not affect the other provisions thereof, and an Order shall be construed in all aspects as if such invalid or unenforceable provisions were omitted.

26. **SURVIVAL AFTER CANCELLATION OR EXPIRATION:** The following Articles shall survive the cancellation or expiration of an Order: 5 (Terms of Payment), 11 (warranty), 16 (Taxes and Duties), 18 (Limitation of Liability/ Indemnification), 19 (Inventions), 20 (No License), 21 (Proprietary Information), 26 (Survival after Cancellation or Expiration), 27 (Governing Law), 28 (Disputes), 30 (Order of Precedence) and 33 (FAR).

27. **GOVERNING LAW: 27.1.**This Quote and the resulting Order including these terms and conditions are governed by and construed exclusively under the laws of the State of New York, USA, excluding its choice of laws rules. **27.2.** Each Party in the performance of an Order shall comply with applicable provisions of all United States, foreign, state and local laws and regulations promulgated there under including but not limited to U.S. export laws and regulations and the U.S. Foreign Corrupt Practices Act.

28. **DISPUTES:** Any dispute that arises under or is related to this contract that cannot be settled by mutual agreement of the Parties may be decided by a proper court for disposition pursuant to Article 27 (Governing Law) clause hereof. Pending final resolution of any dispute, Seller may proceed with performance of this contract so long as Buyer continues to pay amounts not in dispute.

29. **NOTICES: 29.1.** Notices required by this Quote or resulting Order shall be sent via e-mail, facsimile or mail to the addresses shown below. The Notice shall be deemed to have been received on the first business day following the actual receipt.

All-System Aerospace Int'l., Inc., 75 Beacon Dr., Holbrook, NY 11741, U.S.A., Attn. Sales Department, Phone: (631) 582-9200 ext.119, Fax: (631) 582-9206, E-mail: sales@allsystem.com
Heli-Sysco, Inc., 75 Beacon Dr., Holbrook, NY 11741, Attn. Sales Department, Phone: (631) 234-5999, Fax: (631) 582-9206: sales@heli-sysco.com

29.2. In the event that the address of either Party changes, the Party changing its address shall notify the other Party of the new address by e-mail, facsimile or registered mail. Otherwise, all Notices sent to the addresses stated in the above shall be considered correctly directed.

30. **ORDER OF PRECEDENCE: 30.1.** In the event of any inconsistency among the provisions of an Order, hereunder, such inconsistency shall be resolved by giving precedence in the following sequence: 30.1.1. Seller's Quotation, 30.1.2. Seller's Specifications, **30.1.3.** Seller's Terms & Conditions, 30.1.4. PIEA or similar, 30.1.5 Other

31. **ELECTRONIC DATA INTERCHANGE:** Buyer and Seller agree that in the event any part of the purchase and sale of product(s) covered by there Terms and Conditions will hereafter be affected using electronic data interchange, these Terms and Conditions shall continue to apply thereto.

32. **ENTIRE AGREEMENT AND AMENDMENT:** An Order, including any documents, appendices, and attachments incorporated therein or by express reference, constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof and supercedes all prior representations and understandings, whether oral or written. No different or additional terms in the Buyer's acceptance of an Order shall be a part of the Order, and Seller hereby objects to and rejects all such different or additional terms unless agreed to in writing.

33. **FEDERAL ACQUISITION REGULATION (FAR): 33.1.** If this Quote or a resulting Order contains a U.S. Government Prime Contract Number or if any of the product(s) to be supplied under an Order (or any other Orders placed under the Agreement under which this Order is placed) are to be used on a U.S. Government contract, FAR and, if applicable, DFARS clauses will be incorporated by reference and made a part of these Terms and Conditions. **33.2.** The dates of these clauses are the dates in effect in the U.S. Government Prime Contract issued to Buyer. Buyer agrees to negotiate with Seller to incorporate additional provisions herein or to change provisions necessary to comply with the applicable Prime Contract or with amendments or modifications to the applicable Prime Contract.

34. **HAZARDOUS MATERIALS:** All Additional charges for packaging and handling of the hazardous material will be the responsibility of the Buyer.

35. **REPAIRABLE ITEMS (RI's):** Material returned to the Seller for Evaluation/Repair/ Overhaul has to be insured by the Buyer for damage or loss.