

Sales Order Terms and Conditions

1. ORDER PLACEMENT

- 1.1 Purchaser may place purchase order for Product via electronic mail, facsimile or mail.
- 1.2 Purchase represents and warrants that each employee or representative who delivers a purchase order to VSE Aviation on its behalf is properly authorized to deliver such purchase order.

2. PRODUCT

Product consists of aircraft parts and aircraft engine parts.

3. DELIVERY/TITLE TRANSFER

- 3.1 VSE Aviation warrants that it has the right, title and interest in the Product and may convey its right, title and interest in the Product to Purchaser upon Delivery.
- 3.2 Delivery of the Product shall be Ex Works (Incoterms 2000) at the VSE Aviation facility in Carrollton, Texas, USA or other facility at which the Product is located at the time of shipment. Purchaser shall pay the cost of transportation of the Product from the point of shipment to the shipment location provided for in the purchase order.
- 3.3 All sales of Product by VSE Aviation to Purchaser are subject to all applicable U.S. export controls and, through acceptance of these terms and conditions, Purchaser affirms that it will, in turn, comply with all applicable export controls. Fees, charges and/or duties associated with export permits are the responsibility of the Purchaser.
- 3.4 Title to and all risk of loss for the Product shall pass to the Purchaser upon Delivery.

4. INVOICING AND PAYMENT

- 4.1 VSE Aviation shall deliver an invoice to Purchaser evidencing sale of Product by VSE Aviation to Purchaser.
- 4.2 Purchase shall pay each invoice to VSE Aviation on or prior to the invoice date and shall deliver payment for such invoice via check, cashier's check or wire transfer pursuant to wire transfer instructions contained on such invoice. Payment of invoice made by Purchaser via check or cashier's check shall be delivered to VSE Aviation's address as outlined on such invoice.
- 4.3 Purchaser acknowledges and agrees that VSE Aviation, at its sole discretion, may charge interest at the rate of 1.5% per month on all past due balances, beginning on the 1st day after the due date of each invoice.
- 4.4 In the event that Purchaser's obligation to VSE Aviation for payment of any invoice is placed in the hands of an attorney for collection (whether or not a suit is filed), or if Purchaser's obligation to VSE Aviation for payment of such invoice is collected by suit or legal proceeding or through bankruptcy proceedings, Purchaser agrees to pay, in addition to all sums then due hereon, including principal and interest, as well as all expenses of collection, including, without limitation, attorney's fees incurred by VSE Aviation.

5. TAXES

- 5.1 Purchaser shall be responsible for the payment of any taxes (including without limitation stamp, transfer, sales, withholding, value-added use, goods and services or other similar taxes of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) ("Taxes"))

levied by any governmental authority against VSE Aviation or its employees as a result of any sale, delivery, transfer, use, export, import or possession of the Product.

- 5.2 Purchaser shall reimburse VSE Aviation on demand for any Taxes which VSE Aviation has been required to pay by any governmental authority as a result of any sale, delivery, use, export, import or possession of the Product.

6. RETURN POLICY

- 6.1 VSE Aviation, at its sole discretion, may permit the return of Product subsequent to its sale to Purchaser.
- 6.2 In order to request return of Product, Purchaser must supply VSE Aviation with the part number, quantity, condition, original sales invoice number and reason for return (including brief description by FAA approved repair station or equivalent of defect if Purchaser contends that Product is defective). If Product is approved for return, VSE Aviation will provide the Purchaser with a Return Material Authorization form (RMA) which should be included within the shipment packaging and referenced on (i) the returned Product packing slip and (ii) the exterior of the returned Product packaging. Issuance of an RMA number does not constitute acceptance of the returned Product by VSE Aviation. At the discretion of VSE Aviation, credit for the returned Product may be withheld until all documentation is received by VSE Aviation.
- 6.3 Product returned to VSE Aviation shall be subject to the following restocking fees:
- 6.3.1 Restocking fee equal to 15% of the sales invoice price for Product returned between 31 - 60 days after sales invoice date; and
- 6.3.2 Restocking fee equal to 30% of the sales invoice price for Product returned between 61 - 90 days after sales invoice date; and
- 6.4 VSE Aviation will not allow return of Product after 90 days from the sales invoice date.

7. LIMITATION OF LIABILITY

PRODUCT IS BEING SOLD AND DELIVERED "AS IS, WHERE IS" AND "WITH ALL FAULTS", WITHOUT ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OF IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. ALL OTHER OBLIGATIONS AND LIABILITIES, EITHER DIRECT OR CONSEQUENTIAL, ON THE PART OF VSE Aviation ARE HEREBY EXPRESSLY DISCLAIMED. VSE Aviation WILL NOT BE LIABLE FOR ANY OTHER REMEDY OR LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO SUCH DAMAGES RESULTING FROM A BREACH OF CONTRACT OR WARRANTY, ALLEGED NEGLIGENCE OR OTHERWISE, DAMAGE TO AIRFRAME, ENGINE, OR OTHER PROPERTY, COSTS OR EXPENSES OF OPERATION OF ANY AIRCRAFT, OR SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, COLLECTION COSTS, ATTORNEYS FEES, DAMAGES OF ANY TYPE, OR CLAIMS OF PURCHASER'S BUYERS OR OTHER THIRD PARTIES FOR SUCH DAMAGES, OR ANY OTHER LOSS, CLAIM OR DEMAND OF ANY DESCRIPTION RELATING TO THE PRODUCT. NO VARIATION OF ANY LIMITATION OR EXTENSION OF ANY WARRANTY OR REMEDY SHALL BE BINDING UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF VSE AVIATION. NO VARIATION OR EXTENSION SHALL APPLY TO ANY OTHER SALE OF PRODUCT. THE PURCHASER HEREBY RELEASES VSE AVIATION AND ANY PERSON, FIRM OR CORPORATION FROM WHOM VSE AVIATION ACQUIRED POSSESSION OF THE MATERIAL FROM ANY LIABILITY ARISING OUT OF A DEFECT OF SUCH MATERIAL.



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8. INDEMNIFICATION

Purchaser hereby releases and agrees to indemnify, defend and save harmless VSE Aviation, its directors, officers, agents and employees from and against any and all liability, damages, losses, expenses, and claims, including without

limitation all reasonable attorneys' fees and all other costs and expenses in connection therewith or incident thereto, for death of or injury to any persons whomsoever, including without limitation the officers, agents and employees of the parties hereto, and for loss of, damage to, or delay in delivery of any property whatsoever, including without limitation any aircraft on which the Product may be installed and loss of use of the aircraft and any other property of the parties hereto or of their officers, agents or employees (the "Losses"), in any manner arising out of, incident to, or in connection with such material or the use, operation, storage, or testing of the Product, subsequent to Delivery hereunder, regardless of the negligence, active or passive of VSE Aviation; except that the foregoing indemnity shall not apply to the extent that such Losses are caused by the willful or wanton misconduct of VSE Aviation.

9. MISCELLANEOUS

9.1 Where any terms (pre-printed or otherwise) on the Purchaser's purchase order are in conflict with any terms herein, the terms herein shall take precedence and the Purchaser's terms which are in conflict shall have no effect.

9.2 Any unenforceable term shall not affect the validity of the remainder of the terms herein.

9.3 The laws of the State of Texas shall govern this agreement, without recourse to any conflict of laws provisions. Any dispute shall be settled by binding arbitration pursuant to the rules of the American Arbitration Association.