

GEARUP AVIATION SOLUTIONS PURCHASE ORDER TERMS AND CONDITIONS

1. THIS PURCHASE ORDER IS NEITHER AN EXPRESSION OF ACCEPTANCE OF ANY OFFER MADE TO BUYER NOR A CONFIRMATION OF ANY CONTRACT OR AGREEMENT BETWEEN BUYER AND SELLER; THIS ORDER IS AN OFFER TO THE SELLER TO CONTRACT ON THE TERMS SET FORTH HEREIN, AND SUCH OFFER EXPRESSLY LIMITS ACCEPTANCE BY SELLER TO THE TERMS SET FORTH HEREIN, AND ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY SELLER ARE SPECIFICALLY REJECTED.
2. The material, parts, equipment or items ("goods") supplied by Seller shall comply with the applicable part numbers and other specifications stipulated on this Order. No substitutes are permitted except upon the prior written consent of Buyer. Any goods subject to Federal Aviation Regulations must have been manufactured in accordance with FAR Part 21 Sub part F, G, K or O and must be certified accordingly. Goods manufactured outside the U.S.A. which are to be fitted to a U.S. type certificated product shall be imported into the U.S.A. in accordance with FAR part 21 Sub-part N, under a certificate of airworthiness. Goods manufactured outside the United States under EASA or other approved Civil Aviation Authority shall be certified by EASA Form One, JAA Form 1 or approved equivalent Authorized Release Certificate/Airworthiness Approval Tag. All goods in new, overhauled, modified, repaired or serviceable condition shall be appropriately certified in accordance with FAA, EASA or approved Civil Aviation Authority airworthiness requirements. All goods shall be traceable in accordance with FAA Advisory Circular 20-62, latest revision. All standard parts shall be accompanied by a certificate from the OEM and distributor stating that the parts fully comply with the applicable published National, International or industry specification stated on this Order.
3. All goods will be packed and marked (including notice of hazardous substances) in accordance with industry standards and will comply with applicable laws and carrier requirements. Each container will be marked with applicable Order number and be accompanied by one copy of the shipping papers.
4. Title and risk of loss of goods purchased hereunder will be borne by Seller until goods are received, in accordance with the terms hereof, at the FOB point specified herein at which time title and risk of loss will be borne by Buyer.
5. Buyer may at any time prior to delivery terminate this order for its convenience, in whole or in part, by written, electronic or verbal notice confirmed in writing to Seller. If Seller has specially manufactured the goods to fill this order and is unable to make other commercially reasonable disposition of the goods, Buyer will pay Seller the costs incurred for the work performed by Seller in respect of such goods at the time of written notification by Buyer. Seller will mitigate such costs to the extent it is reasonably possible. Buyer's liability under this paragraph will not exceed the aggregate price specified in this Order.
6. Buyer may, in its sole discretion, at any time and from time to time, within sixty (60) days after acceptance of the goods, return to Seller any part or all of the goods and receive full credit on such returns.
7. All goods ordered will be subject to inspection and acceptance at destination by Buyer or its authorized representative within a commercially reasonable time.
8. Time is of the essence for performance of this Order. If any goods or services are not delivered within the time specified, Buyer in addition to any other remedies provided by law, may refuse to accept all or any part of such goods or services and cancel this order; provided however, neither party will be liable for delays in delivery caused by force majeure which shall include war, fire, flood, explosion or earthquakes.
9. The prices set forth in this Order are all inclusive, including, but not limited to, taxes, the cost of packing, crating, materials and delivery to the FOB point. Prices are not subject to revision.
10. Seller warrants that (a) all goods and services when delivered will be merchantable and free from defects in workmanship and material, will conform strictly to the specifications, drawings, samples, or other description specified herein or furnished herewith, and will be fit for their ordinary intended purposes and any special purpose specified by Buyer; (b) it has good title to the goods free from all encumbrances and that it will defend such title against demands of all persons whomsoever arising from any event or condition occurring prior to delivery of the goods; (c) goods of Seller's design or production will be free from defects in design or production; (d) it has all required authority and approvals to sell the goods to and perform the services for the Buyer, and neither the sale, transfer or prior usage/ownership of goods will breach or cause Buyer or any subsequent user of the goods or services to be in breach of any applicable law (including without limitation laws regarding the airworthiness of the goods or prior export control or sanctions violations associated with the goods); and (e) neither Seller nor any of its shareholders, officers or directors are persons identified on any United States, European Union, or UN, sanctions list, including without limitation the "Denied Persons List" or "Unverified List" published by the U.S. Department of Commerce, the "Debarred Parties List" published by the Department of State, and the "Specially Designated Nationals" published by the Department of Treasury, Office of Foreign Assets Control. All warranties shall run to Buyer, its successors, assigns, and all persons to whom the goods may be resold.
11. Seller hereby releases and agrees to indemnify, defend and hold harmless Buyer, its officers, directors, employees and agents against all losses, liabilities, damages, costs, and expenses (a) arising from infringement or alleged infringement of any United States or foreign letters patent or any other intellectual property right by the services provided hereunder or by any of the goods delivered hereunder which were designed or manufactured by Seller, and Seller will defend or settle at its own expense any suit or proceeding brought for such infringement; and (b) for deaths of or injuries to any persons whomsoever, and for loss of, damage to, delay in delivery or destruction of any property arising out of or in any way connected with the services performed or goods sold hereunder, except to the extent such loss is caused solely by Buyer's willful misconduct. Promptly on Buyer's request, Seller will pay all such losses, liabilities, damages, costs, and expenses and all costs and expenses of any claim, demand, suit, action, proceeding, litigation, or settlement relating thereto.
12. Seller may not assign any rights or obligations arising under this Order without the prior written consent of Buyer.
13. If there is an express conflict between the terms of this Order and the provisions of any current written agreement between Seller and Buyer also intended expressly to apply to the goods and/or services ordered herein, those provisions will control only for those goods and services contemplated both by this Order and the agreement. In filling this Order, Seller and its subcontractors will comply with all applicable federal, state and local laws and rules and regulations and shall furnish evidence of such compliance as required by Buyer. Nothing in this Order or any acceptance hereof will constitute Seller or any of its officers, directors, or employees as Buyer's agent, legal representative, or employee.
14. This Agreement shall be construed and governed according to the law of the State of New York and Seller hereby consents to jurisdiction in the state and federal courts of the State of New York. If the Seller is from a country which has ratified the 1980 U.N. Convention on Contracts for the International Sale of Goods, the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the law of the State of New York.
15. All Airworthiness Directives (ADs) that are represented as having been accomplished are documented. Certification of compliance shall specify AD number, AD amendment number, date, and method of compliance, i.e., "AD xx-xx-xx terminated (date). Replaced shaft seal with PN ___ shaft seal (Signature)." Receiving inspection shall check for such documentation.
16. Items identified as overhauled, rebuilt, repaired, inspected, or modified have the appropriate signed (not stamped or preprinted) and dated documentation attached to the substantiate the condition of the part. Receiving inspection shall check for the presence of such documentation.