

APPENDIX A

File Number: SCWP01

STANDARD COMMERCIAL TERMS

- 1) Velocity Aerospace Group herein referred to as VELOCITY, warrants that the articles delivered hereunder conform to appropriate technical data in accordance with FAA Requirements and are free from defects in workmanship with respect to the repair and/or overhaul services performed for the applicable warranty period only to the extent that such defects are reasonably ascertainable.
- 2) The responsibility of VELOCITY hereunder, and the sole and exclusive remedy of Buyer, is limited to correction or replacement by VELOCITY, at its facility, without charge. Further, any article or part that has been returned to VELOCITY, in accordance with this warranty, shall require that VELOCITY has been notified in writing, of the defect or nonconformity, within the warranty period and that the affected article or part has been returned to VELOCITY within thirty (30) days after discovery of such defect or nonconformity.
- 3) VELOCITY shall have the sole right, acting reasonably; to determine if warranty is a valid claim or not and whether returned articles or parts shall be repaired or replaced.
- 4) VELOCITY's responsibility under these warranties shall expire per the following schedule:
- 5) Accessories/Instruments and Avionics: Repair only, Six (6) months or 800 flight hours after first delivery, Overhaul, Twelve (12) months or 1600 hours after first delivery whichever first elapses.
- 6) VELOCITY agrees to assume round-trip transportation costs for defective or non-conforming articles or parts, provided the article has been accepted as a valid warranty claim. VELOCITY will select the means of transportation. In the event a claimed defect is determined not to be valid by VELOCITY, Buyer will reimburse VELOCITY for such transportation charges. All taxes, customs, duties and risk of loss of warranted articles shipped for correction of defects shall be borne by Buyer.
- 7) These warranties will not apply if the articles or any parts thereof have been:
 - a. subjected by Buyer to any maintenance, overhaul, installation, storage, operation, or use, handling or environment which is improper;
 - b. subjected to any alteration modification, or repair by anyone other than VELOCITY;
 - c. subjected to any accident, misuse, mishandle, neglect, negligence, contamination or ingestion of foreign material after delivery by VELOCITY;
 - d. visually or functionally tested by VELOCITY and received no other repair or maintenance by VELOCITY;
 - e. removed from service due to scheduled retirement or scheduled inspection;
 - f. subjected to the removal or modification of the article as a requirement of Federal or State regulation (except where such requirement is due solely to an improper act by VELOCITY); or
 - g. subjected to erosion or environmental hazard resulting in deterioration of the article's performance or efficiency.
- 8) The warranty shall not apply to any article to the extent that the defect or nonconformity is attributable to or precipitated by any part not supplied by or repaired by VELOCITY. Where OEM new parts were found defective, this warranty is limited to the OEM new part warranty policy. In the event LLP parts are damaged beyond repair, VELOCITY shall only be obligated for the remaining life for those parts.
- 9) VELOCITY's obligations under these warranties are conditioned upon Buyer's obligation to maintain records that accurately reflect operating time and maintenance performed on affected equipment and established the nature of any unsatisfactory condition. VELOCITY, at its request, shall be given access to such records for the purpose of substantiating warranty claims.
- 10) The correction of any equipment pursuant to this warranty shall not extend the aforementioned warranty period.
- 11) Buyer certifies that warranted equipment has been maintained in accordance with an industry approved maintenance manual/schedule and with any written instructions provided by VELOCITY and/or the OEM.
- 12) If VELOCITY's inspection of returned equipment discloses that the equipment does not require correction or if a defect is not covered by VELOCITY's warranty, Buyer shall pay VELOCITY for the work performed and materials furnished in connection with any teardown, investigation, reassembly, and any authorized repair or maintenance services performed, in accordance with VELOCITY's then-current charges.



- 13) The foregoing warranty is exclusive and in lieu of all other warranties, whether written, express, statutory, oral or implied, including any warranty of performance, merchantability of fitness for a particular purpose, and supersede and exclude any oral or written warranties or representations made or implied in any manual, literature, advertising brochure or other materials. Except where caused by the gross negligence or willful acts of VELOCITY or a breach of any third party's intellectual property rights, in no event will VELOCITY's liability under this warranty exceed the price actually paid by Buyer for subject warranted products/service. In no event shall VELOCITY be liable for consequential or incidental damages.
- 14) VELOCITY warrants that it will not breach the intellectual property rights of any third party and will indemnify Buyer for any loss, costs or expenses, incurred due to such breach.