

STANDARD TERMS AND CONDITIONS OF SALE of Aviation Ground Equipment Corp.

ARTICLE (I) - SALES CONTRACTS- Aviation Ground Equipment Corporation (herein called the "Seller") sells all equipment, parts and products only upon these standard terms and conditions, which, unless otherwise agreed by the Seller in writing, shall be a part of the contract therefore and shall supersede any inconsistent terms on customers purchase order, notwithstanding any contrary terms that may appear therein.

An order placed with the Seller must be in the form of a written purchase order. The issuance of a purchase order, confirmation or acknowledgment by customer shall be deemed to evidence and authenticate the customer's acceptance of these standard terms and conditions.

All proposals, quotations, bids or other similar communications from the Seller will be considered invitations to customer to submit an offer to contract in the form of a written purchase order. A binding sales contract will result when the Seller accepts the customer's order by mailing a letter of acceptance, or an acknowledgment copy of an entered order, to the customer. All such sales contracts shall be governed by the laws of the State of New York, U.S.A., but not its conflicts of laws provisions. Upon receipt of customer's order, the Seller, at its sole discretion shall evaluate customer's then current performance of payment to the Seller, other suppliers and creditors, the Seller's acceptance of customer's order is subject to the Seller's satisfaction with such payment performance.

ARTICLE (2)-TERMS OF PAYMENT-

- A. All equipment, parts and products sold by the Seller are shipped FOB its warehouse or factory, unless otherwise stated, and terms are net 15 days from date of shipment unless otherwise provided in the Seller's proposal or invoice. When an account becomes past due according to its terms, interest will be charged at a rate of 1½ % per month on all balances until paid in full. If an account is turned over for collection, the customer will be responsible for Seller's costs and expenses of collection, including reasonable attorneys' fees.
- B. If delivery in installments is quoted by the Seller or required by customer's order, failure of customer to make any payment when due as provided for in the sales contract shall give the Seller the right to suspend work or delivery until such payment is made. In the event that any such default by customer continues for more than 15 days after the date due, the Seller may at any time thereafter cancel the sales contract by written notice faxed, mailed or emailed to customer and thereupon be entitled to recover the cancellation charges set forth in Article 8. In addition, the Seller shall have the right to repossess without process any previously delivered equipment, parts or products which have not been paid for in full. In the event the Seller suspends work on customer's order due to customer's failure to make payment at the time provided for in the sales contract, any claim by customer against the Seller for delay in completion of the work shall be waived and barred.
- C. **Security Interest.** You grant to Seller and Seller will retain a purchase money security interest under the Uniform Commercial Code in all goods purchased from Seller until the goods are paid in full. If you fail to pay for the goods as agreed, Seller may repossess any goods in which it retains a security interest and Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code. You authorize Seller to file financing statements covering the goods.

ARTICLE (3)- PRICES- Unless otherwise specifically and conspicuously stated in a written quotation, order acknowledgement, or other document signed by the Seller, the price of any equipment, parts or products shall be the price for such equipment, parts or product in effect at the time of shipment

ARTICLE (4)- DELIVERY- Shipping dates are subject to review at the time customer's order is accepted and will be determined at that time on the basis of the Seller's then current shipping commitments. Shipping dates are quoted in good faith, the Seller, however, will not be liable for loss or damage due to delay or failure to make delivery when such delay or failure is caused by fire, strike, civil or military authority, war, hostilities, governmental action, failure of suppliers to make delivery as scheduled, or any other cause beyond the Seller's reasonable control, including delay or interruption in manufacture, shipment or installation caused by customer. All shipments are F.O.B. factory of manufacturing point.

ARTICLE (5) - WARRANTY- Unless otherwise provided, the only warranty, which the Seller makes in connection with its equipment, parts and products, is the published Aviation Ground Equipment Corporation general warranty conditions or the warranty provided by the manufacturer of the purchased/leased equipment. Receipt of information from the customer and delivery by the Seller of equipment, parts or products specified in customer's order does not imply a warranty by the Seller that the equipment, parts or products so delivered will be suitable for the purposes disclosed. IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED.

ARTICLE (6) - LIMITATION OF LIABILITY- IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, including loss of profits, in connection with its acceptance of customer's order or in connection with the manufacture, delivery a installation of the equipment, parts or products so ordered, whether customer's claim for such damages be based upon failure or delay of delivery, breach of guaranty or warranty or otherwise.

ARTICLE (7) - RETURNS- Any equipment, part or product, which is returned under warranty, may be so returned only with the prior written approval of the Seller's home office, which approval will not be unreasonably withheld. Equipment, parts or products for which return is authorized must be shipped prepaid to the Seller's warehouse or a specified Factory as advised in the written approval.

ARTICLE (8) - CANCELLATION CHARGES-

- A. In case of any contract cancellation by the customer:
 - 1. A 25% penalty of the total contract amount will be levied if cancellation occurs during the 60 days prior to the original expected date of shipment unless otherwise stated in the contract.
 - 2. A 50% penalty of the total contract amount will be levied if cancellation occurs after the original expected date of shipment
- B. In the event customer causes delays, or otherwise materially hampers or interrupts the Seller's manufacture, shipment or installation or equipment, parts or products, the Seller may terminate the sales contract and customer shall pay the Seller the applicable cancellation charges set forth above.

ARTICLE (9) - DESIGN PROTECTION- No rights in designs, trade names, trade marks, and copyrights of merchandise delivered hereunder shall pass to customer and customer agrees not to reproduce or simulate or cause or knowingly allow to be used, reproduced or simulated, either directly or indirectly, such designs, trade names, trade marks and copyrights.

ARTICLE ID - SERVICES- The provisions of these Standard Terms and Conditions relating to sales contracts, terms of payment price, and limitation of liability are applicable to any services sold by the Seller whether separately or in conjunction with an equipment order.

January 1, 2003