

STANDARD TERMS AND CONDITIONS

P.O. Box 97056 • 18225 NE 76th Street • Redmond, WA 98073-9756 • Tel: (425) 883-4353 • Fax: (425) 883-0387

Applicability of Terms and Conditions

The following terms and conditions form the basis for the offer from IDD Aerospace Corp. (IDD) to sell the customer products. Any modification to these terms and conditions by the Customer, either implied or in writing as part of the customer's Purchase Order, are explicitly not binding unless authorized in writing from IDD's authorized Account Manager or Sales representative.

Applicable Law

This contract shall be governed by the State of Washington laws.

Price

Pricing provided by IDD includes; Federal, State, and Local Taxes (in effect at the time of sale). All other taxes will be the responsibility of the Customer.

Payment

Payment terms are NET 30 days in U.S. dollars. Payments received more than 30 days following invoice submittal by IDD are subject to late charges of 1.5% per month of the balance due.

Lead Time

IDD will provide lead time at the time of Quotation based on IDD manufacturing workload, anticipated date for "Acceptance of the Customer's Purchase Order" (AAO), and Customer delivery date requirements. Actual ship date(s) will be confirmed following AAO. IDD reserves the right to ship orders of the Customer or portions thereof, a reasonable time ahead of any scheduled delivery dates unless delivery is specifically restricted by the Customer in writing prior to such shipment.

Shipment

All shipments are Freight On Board (FOB) IDD works in Redmond Washington. Title to products, and risk of loss shall transfer to the Customer at the time of shipment. FOB Redmond, WA. Shipment packaging will be "Best Commercial Practices" per ASTM 3591.

Ownership

IDD retains all rights of ownership for design, development, and tooling developed in the performance of the contract irrespective of whether nonrecurring payments are made by the customer.

Configuration Control

IDD retains the right to control and make changes to the technical data package that do not affect fit, form or function, without prior notification or concurrence by the customer, through IDD's Material Review Board procedure.

All change requests provided to IDD from the Customer will be assessed by IDD for cost (increase or decrease) and schedule impact. IDD will provide impact analysis to the Customer within seven days. Written acceptance of any contractual changes for cost and schedule impact, and direction to implement changes must be received within seven days of IDD's impact analysis, otherwise, IDD will consider the request for change cancelled.

Data Items

All data items are priced using IDD's standard format, unless otherwise agreed to in writing. Data will be assumed to be accepted unless notification to the contrary is received within 30 days of submittal.

Proprietary Data

Any data delivered hereunder from IDD to the Customer may contain trade secrets, proprietary information, or competition sensitive information. Such data will contain a restrictive legend prohibiting disclosure to a third party without IDD's prior written consent. The Customer agrees to abide by all indicated restrictions.

Force Majeure

IDD will not be in default for schedule delays in delivery of products due to Acts of God, fire, embargoes, trade restrictions, labor disputes, unavailability of materials or defaults of suppliers where replacement materials are not readily available or other causes beyond reasonable control of IDD. A revised schedule shall be mutually agreed to by both parties. IDD will not be responsible for any consequential damages associated with any delay.

Termination for Convenience

In the event that the Customer decides to terminate the contract for their convenience or the convenience of a third party, the Customer will be subject to prorated cancellation charges up to the total value of the contract.

Solvency

The Customer warrants that it is solvent and able to meet the payment terms contained herein for the goods placed on order. If the financial condition of Customer at any time does not, in IDD's sole and commercially reasonable judgement, justify continuing performance on IDD's part, IDD may in addition to any other remedies provided hereunder or available under law, require full or partial payment prior to completion, or may terminate the order.

The Customer shall be liable to IDD for the full contract price, together with any changes or expenses incidental to such termination loss. If the Customer becomes insolvent under Washington State or Federal law, or if a receiver trustee or assignee is appointed for the Customer, such event shall be deemed a material breach of contract thereof.

Default

If the Customer breaches any terms or conditions hereof, or is behind schedule in making payment under any other contract between IDD and the Customer, IDD may in addition to exercising any other right it has under law, accelerate all sums due to IDD under the terms hereof, and or terminate the contract and discontinue IDD's performance.

Foreign Resale or Lease

The Customer agrees not to resell or lease any product to any third party in any foreign country if the export to such country is prohibited by the laws of the United States, U.S. Department of Commerce Export Administration Regulations, or the import of such products is prohibited by the laws of such country. Customer shall indemnify and hold IDD harmless against any loss cost (including reasonable attorney's fees) penalty claim or demand of any kind arising out of or occasioned by any violation of this section or charge thereof.

Warranty

IDD warrants that all products delivered under this contract will, at the time of shipment, and for a period of one year from shipment date, be free from defects in materials and workmanship. This warranty specifically excludes lamps or batteries.

IDD's sole liability and the Customer's sole remedy for any breach of warranty is expressly limited to the repair or replacement (at IDD's option) of products proven defective during the warranty period. If in IDD's judgement, such repair or replacement is impracticable, IDD may exercise the option to pay damages caused by such breach up to a maximum of the purchase price paid by the Customer for the defective product.

This warranty shall not apply unless written notification of nonconformance is received by IDD within one year of shipment, and after analysis, such products are determined to IDD's satisfaction to be defective in materials or workmanship. The warranty does not cover failures or damage caused by misuse, alterations or negligence by the Customer or by any third party. This warranty does not cover failures, damage, or liability resulting from installation use or servicing of the warranted products other than in conformance with IDD's application service manuals, bulletins, and instructions.

The warranty is exclusive. This Customer hereby waives all other warranties, guarantees obligations, liabilities, rights, and remedies not expressly set forth herein, whether expressed or implied arising by law or otherwise including but not limited to any implied warranty arising from course of performance, course of dealing or usage of trade, any implied warranty of merchantability or fitness for a particular purpose, and by obligation or liability of IDD to any person arising from tort, or for loss of use, revenue, or profit, or for any incidental or consequential damages directly or indirectly arising from any breach or perform by IDD the use or inability to use the products or from any other cause whatsoever. This warranty shall not be modified unless agreed to in writing by duly authorized representatives of both parties.

Severability

If any form of this agreement or other application thereof in any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement and the application of such term to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term of this agreement shall be valid and shall be enforced to the fullest extent permitted by law.