



## Standard Terms and Conditions of Sale

### Definitions

**“Customer”** is the person(s), firm, company, corporation or other entity who purchases parts from D&D Enterprises.

**“Part” or “Parts”** means any parts, components, goods or materials to be supplied by D&D Enterprises to Customer based on Customer’s Purchase Order.

**“Purchase Order”** is the contract between Customer and D&D Enterprises for the supply of parts resulting from a Customer request or order placed by Customer, incorporating these Standard Terms and Conditions of Sale and the terms on the face of the document under which it is accepted by the D&D Enterprises.

**“Change Order”** means any change to the Purchase Order that has been approved in writing by both the Customer and D&D Enterprises.

### Part Condition Classifications

- FN - Purchased directly from OEM with Manufacturer’s certifications included
- NE - New condition, Manufacturer’s certifications included
- NS - New condition, and comes with D&D Enterprises Certificate of Conformance only
- AR - As removed
- OH - Overhauled (also see separate Certificate of Conformance, 8130 or other tag as noted)
- SV - Serviceable (also see separate Certificate of Conformance, 8130 or other tag as noted)

Part(s) and documentation were inspected and stored by D&D Enterprises in accordance with D&D Enterprises quality and inspection procedures. The installer must determine the appropriate application for the part(s).

### Applicability of D&D Enterprises Standard Terms and Conditions of Sale

These Standard Terms and Conditions of Sale shall apply to all sales of parts by D&D Enterprises unless otherwise agreed to by an authorized representative of D&D Enterprises in writing prior to sale, to the exclusion of all other terms and conditions Customer purports to apply in any Purchase Order; and set out the entire liability of D&D Enterprises (including any liability for the acts or omissions of its subcontractors) in respect of parts supplied by D&D Enterprises and any representation, statement or tortious act or omission including negligence arising under or in connection with the Purchase Order.



When Customer issues a Purchase Order, places an order by telephone, in person, and/or requests parts through any other document or medium offering parts for sale by D&D Enterprises, and accepts delivery of such parts, the Customer hereby expressly agrees to the terms and conditions of sale as set forth below.

### **Payment Terms**

Unless otherwise stated on the Invoice and signed by an authorized representative of D&D Enterprises, standard payment terms are net thirty (30) days of Invoice once credit has been established with D&D Enterprises, without any deduction, setoff, withholding, counterclaim,

discount, or abatement. D&D Enterprises may at any time change or withdraw any credit terms previously extended to Customer.

D&D Enterprises may require deposits or advance payment from Customer prior to shipment. Unless otherwise agreed to in writing, all payments shall be non-refundable payable in U.S. Dollars. Customer shall pay to D&D Enterprises an amount equal to all taxes paid, payable or required to be collected by D&D Enterprises and shall pay all bank fees, wire transfer fees and other costs of money transfers.

For orders paid by credit card, D&D Enterprises reserves the right to assess a fee at its discretion. This fee shall be disclosed to Customer at the time of payment.

Customer shall submit payment details to D&D Enterprises to permit posting of the payment to the proper Invoice or Purchase Order. In the absence of such payment advice, D&D Enterprises may apply payments to any outstanding amount(s) owed by Customer. Unless otherwise agreed to by D&D Enterprises in writing prior to sale, payments must be made in the currency and to the bank account stated on the Invoice.

Full legal, beneficial and equitable title to parts shall remain vested in D&D Enterprises until payment in full for such parts has been received by D&D Enterprises.

Customer shall submit any Invoice dispute to D&D Enterprises within thirty (30) days of the Invoice date. Beyond that time period, all Invoices will be deemed to be correct.

If payment is not made within thirty (30) days of its due date, any Invoice will be deemed to be past-due; and interest shall accrue on any unpaid balance at the lesser of (i) 1.5% per month or (ii) the highest rate permitted by applicable law. In the event that any payment shall become



past-due, D&D Enterprises may, at its option and in addition to any other rights it may have, suspend further shipments of any and all parts to Customer until all such indebtedness has been fully paid. D&D Enterprises shall retain a purchase money security interest in all parts sold to Customer until payment in full for all such parts is received by D&D Enterprises. Customer hereby agrees to promptly execute and deliver to D&D Enterprises such further documents as D&D Enterprises may request to perfect such security interest, including, without limitation, security agreements and financing statements to be filed with the Federal Aviation Administration (FAA).

### **Purchase Orders and Change Orders**

The minimum purchase order is U.S. \$75 for domestic orders and \$200 for international orders. At its discretion D&D Enterprises may accept a purchase order for a lesser amount.

The description, part number and/or specification of parts for purchase shall be set out in Customer's Purchase Order. Customer shall ensure that the terms of its Purchase Order are complete and accurate; and Customer shall be solely responsible for the accuracy of data supplied to D&D Enterprises by the Customer.

D&D Enterprises reserves the right to adjust prices where necessary before a Purchase Order is accepted, notwithstanding prices stated in a price list or quotation.

All Purchase Orders must be made or confirmed in writing or by electronic data interface, and are subject to approval and confirmation upon receipt by D&D Enterprises. D&D Enterprises may at its sole discretion decline any Purchase Order placed by Customer.

Unless otherwise agreed to in writing, the price for parts shall be exclusive of taxes including sales tax, or levies; and Customer shall pay export and/or import charges or duties, where appropriate.

No change or modification of Purchase Order shall be allowed after acceptance by D&D Enterprises unless a written Change Order is delivered by Customer and accepted in writing by D&D Enterprises.

If at any time any one or more of the terms of the Purchase Order is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted from the Purchase Order and the validity and/or enforceability of the remaining terms and conditions of the Purchase Order shall not in any way be affected or impaired as a result of that omission.



The Purchase Order sets out the entire agreement and understanding between Customer and D&D Enterprises in connection with the sale of part(s) and shall supersede and replace all documentation previously issued by Customer or D&D Enterprises.

D&D Enterprises and Customer shall each keep confidential and shall not, without the prior written consent of the other, disclose to any third party or otherwise make public the terms or existence of the Purchase Order or any other confidential or sensitive information of the other.

### **Cancellation of Purchase Orders**

Cancellation of orders may not be made without the written consent of D&D Enterprises.

Specially ordered materials may not be canceled without payment to D&D Enterprises for all expenses involved, and such cancellation must be approved in writing by D&D Enterprises.

### **Delivery**

Unless otherwise specified by Customer in writing, D&D Enterprises will arrange for transport of parts to Customer at Customer's risk and cost. Any parts purchased by Customer shall be delivered "Ex Works" (Incoterms 2010) from the D&D Enterprises facility unless otherwise indicated on the Invoice.

D&D Enterprises may, at its option, make partial shipments of parts to Customer and invoice Customer for each shipment individually.

Delivery dates for the supply of parts are estimates only. D&D Enterprises will not be responsible for any loss (including loss of profit), costs, damages, charges or expenses caused directly or indirectly by any delay in delivery of parts, not will such delay entitle Customer to terminate or rescind a Purchase Order.

If Customer does not take delivery of parts, or if Seller is unable to deliver parts because Customer has not provided appropriate instructions, documents, licenses, authorizations, etc., then such part will be deemed to have been delivered; and risk shall pass to the Customer. At its option, D&D Enterprises may: (i) store Customer property until actual delivery with Customer liable for all related costs and expenses including storage and insurance; or (ii) re-allocate or take reasonable steps to sell parts at the best price readily obtainable after providing no less than thirty (30) days written notice to Customer.

### **Export and Compliance with Applicable Laws**



D&D Enterprises authorizes Customer to use and/or sell parts in the normal course of Customer's business and to pass good title in parts to its purchasers. All parties agree to comply with all applicable governmental regulations as they relate to the import, export and re-export of parts. Should Customer decide to export any part purchased from D&D Enterprises, Customer must verify the proper export classification of the parts and determine if an export license or exception is required by the Export Administration Regulations.

D&D Enterprises and Customer acknowledge that export or import laws and regulations impose restrictions on import, export and transfer to third countries of certain categories of parts, and that authorizations and/or licenses from applicable regulatory agencies may be required before such parts can be disclosed or delivered hereunder, and that such authorizations and/or licenses may impose further restrictions on use and further disclosure or delivery of such parts. The export or re-export of commodities or parts from the United States is controlled by United States law which prohibits 1) export to North Korea, Iran, Cuba, Crimea (region of Ukraine), Syria and Sudan, or 2) to any other country or end user(s) to which shipments are prohibited

unless otherwise authorized by the United States. Commodities or parts controlled by United States law must be exported in accordance with the Export Administration Regulations of the Department of Commerce.

D&D Enterprises in no way accepts responsibility for assigning a classification to Customer's export shipments and shall not be liable for delays or refusals by governmental authorities to grant licenses or approvals, not for the suspension or revocation thereof, nor for changes in export classification. Customer agrees to deliver requested information for export including end-user information necessary for export licenses to be granted and/or necessary for D&D Enterprises to determine if a license or other type of authorization is required.

Customer agrees to comply fully with the export control laws and regulations of the United States and acknowledges that diversion contrary to United States law is prohibited.

### **Express Limited Warranties**

At the time of delivery, D&D Enterprises warrants good title to Customer and that parts in the following conditions will be free from defect in material or workmanship in accordance with the following warranty schedule based upon the condition code of the part:

**New (FN, NS, NE, NW):** Remaining OEM warranty or thirty (30) days from date of sale, whichever is longer

**Overhauled (OH) or Serviceable (SV):** Remaining repair facility warranty or thirty (30) days from date of sale, whichever is longer



At the time of delivery, D&D Enterprises warrants good title to Customer and that parts in the following conditions can be repaired or overhauled in accordance with the following warranty schedule based upon the condition code of the part:

**Repairable (RP) or As Removed (AR):** 30 days from date of sale and subject to a repair ceiling

*Notes:*

- *Parts sold "As-Is" carry no warranty regardless of the condition code of the part and may not be returned*
- *Any part sold for less than U.S. \$75 is sold "As-Is" and may not be returned*

The D&D Enterprises Express Limited Warranty does not apply to any part that D&D Enterprises determines has been modified or subjected to misuse, neglect, improper installation, corrosion,

or accident; or which has been maintained, repaired or stored other than as directed in the applicable maintenance, installation, operation or technical instructions.

The D&D Enterprises Express Limited Warranty does not cover normal maintenance expenses or consumable items, removal or installation of the part or resultant damage to other parts. Repair or replacement of any part under the D&D Enterprises Express Limited Warranty will not create a new warranty period or extend the period of coverage; but any part repaired or replaced will be warranted for the remainder of the warranty period originally applicable to the part repaired or replaced.

**Disclaimer of Implied Warranties and Limitation of Liability**

The D&D Enterprises Express Limited Warranty and the remedies thereunder are exclusive and given in place of (a) all other warranties, express, implied or statutory, whether written or oral, including but not limited to, any warranty of merchantability, fitness for particular purpose, or implied warranty arising from performance, course of dealing or usage of trade, and (b) all other obligations, liabilities, rights, claims or remedies, express or implied, arising by law or otherwise, including but not limited to any rights or remedies in contract, tort, strict liability or arising from D&D Enterprises negligence, actual or imputed.

D&D Enterprises obligations and customer remedies under the D&D Enterprises Express Limited Warranty are limited to D&D Enterprises choice of refund, repair or replacement on an exchange basis; and subject to proration and exclude liability for incidental, special, consequential or any other damages, including without limitation, any liability of customer to a



third-party or for economic loss, replacement costs, cost of capital, lost revenue, lost profits, or loss of use of or damage to an aircraft, engine, component or other property.

*Notice:*

*The terms of the D&D Enterprises Express Limited Warranty allocate the risk of part failures between Customer and D&D Enterprises as permitted by law. The D&D Enterprises Express Limited Warranty gives the Customer specific legal rights, and Customer may also have other rights which vary from jurisdiction to jurisdiction.*

**Notice of Claims and Returns**

Immediately upon receipt of the parts purchased hereunder, Customer shall inspect same. Any claim, including but not limited to claims for document deficiency, defect, damage or shortage shall be made in writing to D&D Enterprises at the address stated on the Invoice within thirty (30) days after Customer receipt of the applicable parts. Customer shall include reasonable written details establishing the reason for the claim.

D&D Enterprises agrees to remedy any inaccuracies/errors of relevant documents within thirty (30) days. Beyond such period, D&D reserves the right to charge an administration fee for any amendments made.

Failure to notify D&D Enterprises in writing of a claim in the manner provided herein constitutes a waiver of the claim.

No part may be returned to D&D Enterprises without prior written consent, the issuance of a Return Material Authorization (“RMA”) by D&D Enterprises, and accordance with shipping instructions furnished by D&D Enterprises. All return shipments must be identified by the applicable RMA number.

All parts removed from service must be returned to D&D Enterprises in “as removed” condition. Parts failing bench check must be returned “as sold” to D&D Enterprises without alteration or repair or any warranty is void. All returned parts must be accompanied by all original documentation. Returned parts will be subject to a 15% restocking fee as well as a recertification charge when applicable. At its discretion, D&D Enterprises may not process or honor warranty claims on past-due accounts.

For parts that are returned under warranty, tested and found to be without fault, D&D Enterprises will be entitled to reimbursement for reasonable charges incurred for transportation, testing and evaluation.



D&D Enterprises shall not be liable for a breach of the warranty in any of the following circumstances:

- (i) parts have been modified, altered, installed, used or serviced other than in conformity with applicable specifications, manuals, bulletins or written instructions, or which shall have been subjected to improper installation, misuse or neglect;
- (ii) (ii) parts have not been maintained and operated in accordance with industry standard instructions;
- (iii) (iii) normal wear and tear, willful or accidental damage, harsh environment or experimental running;
- (iv) (iv) parts thereof have been furnished by the Customer or acquired from others at the Customer's request and/or to the Customer's specifications, and any use or incorporation of components not manufactured by or authorized by D&D Enterprises in the part;
- (v) (v) parts are expendable in nature, such as, but not limited to, diodes, transistors, o-rings, tires, flexible hoses, seals, igniter plugs or fuses;
  
- (vi) (vi) parts with a stated shelf life or "use by" date, if such shelf life has expired or "use by" date has passed;
- (vii) (vii) tooling purchased or made for the purpose of manufacturing the part;
- (viii) (viii) the Customer fails to afford D&D Enterprises a reasonable opportunity to inspect the part;
- (ix) the price for the part not been received in full.

In addition, minor deviations from specifications which do not affect performance of the part shall not be deemed to constitute a defect in material or workmanship; and the need for regular overhaul of a part shall not constitute a defect or failure for the purposes of these Standard Terms and Conditions of Sale.

### **Indemnification**

By accepting the parts specified on an Invoice, Customer agrees to defend, protect and hold harmless D&D Enterprises, its shareholders, officers, directors, employees, consultants, agents, and successors; and assigns from and against all suits at law or in equity, and from all damages, liabilities, taxes, expenses (including reasonable attorney's fees and expenses) claims and demands related to the purchase of such parts, or Customer violation(s) of any Export Laws.

**ANY LIMITATION OR EXCLUSION OF LIABILITY SHALL APPLY TO THE EXTENT PERMITTED UNDER APPLICABLE LAW.**





### **Force Majeure**

D&D Enterprises shall be excused from liability for failure to deliver parts to Customer where such failure is due to any cause beyond its reasonable control including, without limitation, war, terrorism, breakdown of plant or machinery, fire, flood, strikes or other labor disturbance, accidents, Act of God, governmental order or requirement, interruption, obsolescence or shortage of materials, transportation facilities or energy supply, or events beyond the reasonable control of its suppliers or subcontractors, or other similar causes beyond the control of D&D Enterprises.

During any such Force Majeure, D&D Enterprises will endeavor in good faith to allocate deliveries fairly among its Customers but expressly reserves at its discretion, without liability to Customer, the final determination of deliveries to be made. If said Force Majeure continues for a continuous period in excess of ninety (90) days, D&D Enterprises may terminate the Purchase Order without liability by providing written notice to Customer.

### **Governing Law, Assignment, Venue and Jurisdiction**

With respect to these Standard Terms and Conditions of Sale or the condition of parts sold by D&D Enterprises, Customer agrees and consents: 1) that the obligations of the parties are deemed to be performed in Broward County, Florida; 2) that venue of any legal proceeding brought by the Customer shall be in Broward County, Florida; 3) to submit to the jurisdiction of the State or Federal Courts that are located in Broward County, Florida; 4) that the Secretary of State of Florida is hereby made the Customer's agent for service of process; and 5) that any legal proceeding brought by the Customer shall be brought within one (1) year of any alleged breach.

### **Anti-Corruption and Ethics**

D&D Enterprises warrants that its Directors, employees, agents, representatives, contractors and subcontractors and any other person acting on its behalf will not:

- (i) offer, give or agree to give or receive, request or accept any financial or other advantage of any kind as an inducement or reward for doing or not doing any improper act or for the improper performance of any function associated with the Purchase Order or parts; nor
- (ii) act in any way which would constitute an offence by Customer or would cause D&D Enterprises to commit an offence under any anti-bribery legislation.

### **Quality Assurance: the SAE International Aerospace Standard (AS9120)**



D&D Enterprises is in the process of being certified compliant with SAE International Aerospace Standard AS9120 (the “Standard”), which includes the ISO 9001 quality management system requirements. The Standard addresses quality management system requirements in the aviation industry to implement improvements in quality and reductions in cost, including but not limited to:

- i. Successful implementation of a quality management system;
- ii. Using customer-designated or approved external providers;
- iii. Notifying the organization of nonconforming processes, products, or services and obtaining approval for their disposition;
- iv. Preventing the use of suspected unapproved, unapproved, and counterfeit parts (see Sections 8.1.4 and 8.1.5 of the Standard);
- v. Notifying the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture;
- vi. Flowing down applicable requirements to external providers including customer requirements;
  
- vii. Providing a certificate of conformity, test reports, or authorized release certificate, as applicable;
- viii. Retaining documented information, including stated retention periods and disposition requirements;
- ix. The right of access by D&D Enterprises, their customer(s), and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain; and
- x. Ensuring that persons employed by D&D Enterprises are aware of their contribution to product or service conformity; their contribution to product safety, and the importance of ethical behavior.

### **Legal Proceedings and Claims**

These Standard Terms and Conditions of Sale shall be construed according to and governed by the laws of the State of Florida, whether or not any conflicts of law principle would refer the interpretation to the law of another jurisdiction.

Customer and D&D Enterprises agree that any dispute related to these Standard Terms and Conditions of Sale, to the condition of parts sold by D&D Enterprises or to arbitrability shall, on the written request of the other party, be submitted to arbitration under the rules as D&D Enterprises and Customer shall agree.



Customer agrees that if Customer should file suit or commence legal proceedings against D&D Enterprises arising out of or resulting from these Standard Terms and Conditions of Sale or the condition of parts sold by D&D Enterprises, that Customer will pay D&D Enterprises its costs of defending such suit or legal proceeding, including reasonable attorney's fees, in the event that: (a) D&D Enterprises prevails in the suit or legal proceeding; or (b) the value of the recovery awarded to the Customer is equal to or less than any settlement proposal made by D&D Enterprises prior to the award made in the suit or legal proceeding.

If no agreement can be reached, the Commercial Arbitration Rules of the American Arbitration Association shall govern such arbitration which shall be held in Broward County, Florida.