

TERMS AND CONDITIONS

PRICE AND DELIVERY TIME

Prices and delivery time are valid for one hundred twenty(120) days from date of this proposal and are subject to confirmation at the time of order. Prices are for equipment F.O.B. Plant, Beaumont, Texas, in US dollars, unless otherwise specified. ***In addition, all of the information in this proposal is Confidential and Proprietary.***

PURCHASE ORDER

In order to expedite your Purchase Order we require Frequency, Modulation, Ident Code, and Operating Voltage of the equipment to be specified when applicable. ***Any Purchase Order received without this pertinent information will not be considered a FIRM Order and manufacturing of the equipment will be delayed until all required information is received in writing.***

SHIPMENT

Shipment of the items in this proposal can be made within forty five (45) days ***or sooner after receipt of a Firm Purchase Order. Note that most equipment can be programmed in the field and may be shipped un-programmed if the Buyer specifies this in writing to SAC.***

STATEMENT BY ULTIMATE CONSIGNEE AND PURCHASER

Southern Avionics Company requires the completion by both the Purchaser and the End User of Form BIS 711 as a confirmation of the Final Destination of SAC equipment. A copy of the form should be faxed or e-mailed to SAC with the Original sent by mail or courier. ***Shipment will be held until a properly completed Form BIS 711 is received.***

PACKING

Southern Avionics Company Standard Airfreight Packing is included on all Orders at no additional charge. Packing other than standard will have to be quoted separate, otherwise the Buyer assumes reasonable crating charges. ***SAC is not responsible for damages during shipment that result from a Buyer's request to alter our Standard Packing. SAC will require a Release of Liability from the Buyer when non-standard Packing is used at their request. WHEN USING YOUR OWN FREIGHT FORWARDER, SAC STRONGLY RECOMMENDS THAT YOU PURCHASE FREIGHT INSURANCE.***

PAYMENT TERMS

CASH PRIOR TO SHIPMENT – Southern Avionics Company requires 100% Cash Prior to Shipment within 14 days of acceptance of the Customer's Purchase Order.

INSTRUCTIONS TO BUYER FOR WIRE TRANSFER PAYMENTS - To expedite our shipment of goods to you, it is imperative that you make your wire transfer payment as follows:

SEND PAYMENT VIA WIRE TRANSFER THROUGH FED SYSTEMS TO ABA NO. 111000025 FOR SOUTHERN AVIONICS COMPANY, ACCOUNT NO. 1390022166, BANK OF AMERICA, N.A. 1401 ELM STREET, DALLAS, TEXAS 75283 U.S.A.

Bank draft or sight draft not acceptable.

ADD THE APPROPRIATE ADDITIONAL US DOLLARS FOR YOUR BANK'S WIRE TRANSFER FEE. The amount is determined based on amount due and origin of payment.

OR

INSTRUCTIONS TO BUYER FOR ESTABLISHING THE CONFIRMED IRREVOCABLE LETTER OF CREDIT - To expedite our shipment of goods to you, it is imperative that you incorporate the following provisions into the Letter of Credit. **The Letter of Credit must comply with all of our terms and conditions or it will not be accepted.** Production of your Order will not begin until we received notification that your Letter of Credit has been issued.

1. Type of Credit: Confirmed Irrevocable Letter of Credit payable at sight at the counters of Bank of America, N.A.
2. Manner of Issuing the L/C: Authenticated full cable or SWIFT (NABKUS33CHA) to be advised through Bank of America, N.A., 121 West Trade Street, 21st Floor, Charlotte, N.C. 28255 USA.
3. Confirmation: Bank of America, N.A., must confirm the letter of credit.
4. Beneficiary: SOUTHERN AVIONICS COMPANY
BOX 5345
BEAUMONT, TEXAS 77726-5345
Tel: (409) 842-1717 Fax: (409) 842-2987
5. Currency: **U.S. Dollars**
6. Merchandise Description: **(example: Transmitter and Accessories)**
7. Point of Loading: Ex-Works Beaumont, Texas
8. Latest Ship Date: **(No less than 21 days after scheduled ship date)**
9. Expiry Date: **(No less than 30 days after latest ship date.)**
10. Banking Charges: All banking charges including reimbursement and confirmation charges are for the account of the buyer/applicant.
11. Transshipment: Allowed
12. Partial Shipment: Not Allowed
13. Payment: Wire transfer reimbursement is to be allowed.
14. We are prepared to provide the following documents:
 - (a) Commercial Invoice
 - (b) Packing List
 - (c) Air Waybill
15. Documents: Third party documents are to be acceptable.

16. Language: The Confirmed Irrevocable Letter of Credit is to be in English.

17. Letter of Credit to be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication NO. 500.

In addition if the issuing bank is not a correspondent of Bank of America, the Letter of Credit should include a reimbursement authorization for Bank of America to claim funds from a designated reimbursing bank in the U.S. A list of correspondent banks for your country can be provided upon request.

OR

NET 30-DAY ACCOUNT - A Net 30-Day Account can be requested by filling out Southern Avionics Company's standard Credit Application. If approved, the terms of the sale are NET 30 DAYS following purchase. SAC requires that the application be completed with at least 5 trade references (a fax number for each trade reference is required), signed and faxed back to us for processing. Please note that all trade references are checked by fax and this can sometimes cause a delay in processing and shipping orders.

Upon credit approval, if the Customer's Account becomes past due, additional orders will be shipped on a C.O.D. basis without applicable discounts applied until the Account is made current. Southern Avionics Company will charge interest on any past due balance at the rate of 18% per annum with said interest being calculated from the date of purchase. Seriously past due Customers may be denied placing orders until corrective measures are taken.

Generally a Net 30-Day Account is extended primarily to Companies with offices in the United States. However, International Companies with an established positive Credit History may qualify as well.

CANCELLATION OR TERMINATION OF PURCHASE ORDER

The Buyer only upon payment of reasonable cancellation charges, which shall be related to expenses incurred, and/or commitments made by Southern Avionics Company may cancel any order placed with Southern Avionics Company.

RETURNS AND EXCHANGES

All sales are final. SAC does not exchange new items for equipment purchased in error that has already been shipped. Customers providing for their own freight costs can return items for credit equal to the net price paid to SAC for the item less a 20% restocking fee. The returned item must be in a new, uninstalled, undamaged and re-sellable condition otherwise SAC will return the returned item freight collect to the return address provided. Any credit given is applied to future purchases only.

ANTENNAS

The antenna is the most important part on any low frequency beacon system. The antenna is the key component related to the reliable operation of the system and is generally the source of 99% of all problems reported to SAC. Antennas that are not of the correct configuration or that fail prematurely usually result in damage to the transmitter. SAC supplies its own antenna systems. Our antenna systems are specifically designed to maximize the performance of our transmitters and are the result of over 30 years of experience. The use of antennas not supplied by SAC and that have not been approved by SAC is considered to be misuse of our equipment. Misuse of our equipment will void our warranty. Therefore if you choose not to use one of the antennas quoted in this proposal, SAC will require detailed information regarding the antenna configuration you intend to use so that our engineers can review the design and either accept it or comment on likely problems that you will encounter associated with its use with our equipment.

WARRANTY

SOUTHERN AVIONICS COMPANY warrants the products per its standard limited warranty for a period of one (1) year from the date of delivery to the original purchaser. The limited warranty is made for the benefit of the initial purchaser only and is not made for the benefit of any party other than initial purchaser. **It applies only if the goods are submitted to normal use and service and does not apply if the goods are misused or mismatched with other goods such as antennas, couplers, or any other third party goods that have not been approved by SAC in writing for use with SAC equipment.**

DOCUMENTATION

Standard documentation that will be provided with the proposed equipment is limited to a technical operation manual, factory acceptance tests, and shipping documents. Any other non-standard documentation will be provided for a technical research fee of \$50 per hour plus any related material costs.

The documents we normally provide are:

- 5 original signature Commercial Invoice/Packing lists are provided to the freight forwarder for the shipment, and are available when the order is ready to ship.
- 1 set of original Factory Acceptance Tests (FAT's) enclosed in the front pocket of the transmitter manual that will be packed with the transmitter. Additional sets are \$30 per set. FAT's are available after the equipment has been tested.
- 1 manual for each transmitter, antenna, monitor, etc. Additional manuals are \$100 per set and can be provided anytime after the order has been received, accepted and processed.
- After the shipment is made we normally fax a copy of the airway bill or bill of lading and shipping details provided to us by the freight forwarder. It is usually not available until 3 to 5 days after the shipment has been released to the freight forwarder. It usually depends on the freight forwarder and the time of week that we give the shipment to them and the flight/sailing schedule.
- A Certificate of Conformity is available upon request at the date of shipment.

COMPLIANCE

The products and services offered in this proposal are only guaranteed to perform according to the specifications and descriptions supplied with this proposal. SAC assumes no responsibility for system integration or compatibility unless otherwise specified in writing.

Very truly yours,
Royce Everitt
+1-409-842-1717 ext 106
+1-409-842-2987 Fax
sales@southernavionics.com

Reviewed by _____ Date _____

Some important things to consider when purchasing an NDB system:

- With proper manufacturer support, a Non-Directional Beacon system should have a life expectancy of 15 to 20 years. Without support, that life expectancy can be cut short. SAC customers can rely on Southern Avionics long term staying power. SAC was established in 1962 and is the oldest existing manufacturer of NDBs. 40 years of concentrating exclusively on NDBs and supplying more than 6,500 systems demonstrates SAC's relentless commitment to customer satisfaction. During the same period, over 17 other manufacturers have gone out of business or stopped the manufacture of NDB systems, leaving their customers critically unsupported.
- The NDB should not consume or waste power unnecessarily. SAC transmitters are better than 70% efficient with some models as high as 90%.
- The SAC offshore NDB system is the most widely used in the world today.
- Both the transmitter and coupler are designed for outdoor, all-weather operation and can be mounted outside at the base of the antenna. This statement applies to any SA Series Transmitter or coupler mounted in a yellow enclosure.
- All SAC dual transmitters are *true* dual transmitters. Two completely autonomous transmitters with an autotransfer unit housed in a single enclosure. The transmitters do not share any components such as power supplies, transformers, exciters or power amplifiers. Many competitors transmitter systems share components and therefore cannot honestly be called dual transmitters.
- SAC transmitters are continuously adjustable within their specified power range.
- SAC transmitters are constructed with all aluminum fabrication, coated and/or treated for high salt environments and other harsh conditions.
- All hardware is stainless steel and all screws are machine type screws rather than sheet metal type.
- SAC transmitters have built in test equipment and metering.
- SAC transmitters are based on a modular plug-in board design with fully extendible sliding 19" rack mount drawers for easy maintenance and troubleshooting.
- SAC transmitters are AM modulation capable and can be used for a variety of applications.
- SAC transmitters are fully synthesized within their specified range of operation. Thus, no additional parts are needed to change frequencies within this range.
- SAC supplies its own antenna systems. Our antenna systems are specifically designed to maximize the performance of our NDBs and are the result of over 30 years of experience. We offer antenna systems for use on land and or in marine environments.