

Standard Terms and Conditions

Effective January 1, 2010

Physical/Shipping Address

DPI Labs, Inc.
1350 Arrow Highway
La Verne, CA 91750
Phone: (909) 392-5777
Fax: (909) 392-0277

Cage Code 0N0X3
Federal Tax ID 95-3953867
DUNS# 14-4386158

Departments

Sales/Customer Service: ext 248 or ext 249
Tech Support: ext 114
Repair: ext 220

Terms and Conditions

1. **Sale of Goods.** All items supplied in response to Buyer's purchase order are cabin management systems, electrical components of non-flight critical indicator systems or items otherwise specified in said order. With respect to these goods, DPI Labs, Inc., hereinafter referred to as Seller, warrants that it has the right to sell the goods.

2. **Price of Goods.** If the price set forth on the Seller's order acknowledgement differs from the price on the Buyer's purchase order, the price quoted by the Seller shall be the price of the goods. The possession of a price list does not constitute an offer to sell. Prices are subject to change without prior notice and must be confirmed by Seller prior to issuance of a purchase order. Current pricing for standard product may be obtained by contacting the Sales Department.

3. **Payment with Approved Credit.** Except as expressly agreed to by Seller by a separate Business Agreement, all payments shall be made by Buyer to Seller within thirty (30) days of the date of the invoice and shall be in U.S. dollars. Unpaid balances after the due date will be subject to an interest charge of 1.5% per month. Clients with past due accounts will be placed on COD and may lose their "approved credit" status.

4. **Payment without Approved Credit.** This applies to the first time purchase(s) made during the thirty (30) days required to establish "approved credit." All order(s) are COD until credit is established. The payment must be received by Seller prior to shipment.

5. Delivery.

- **Shipment Policy.** All goods shall be shipped F.O.B. La Verne, California by commercial carrier, or if requested by Buyer, by airfreight at Buyer's expense. Title and all risk of loss shall pass to Buyer on delivery to said carrier subject to Buyer's obligation to pay for the goods in accordance with the agreed price.
- **Shipment damage, errors or shortages:** Seller is not responsible for damage caused in transit. It is the responsibility of the recipient to file damage claims directly with the freight company. If errors or shortages are detected in any shipment, Customer Service must be notified of the discrepancy within three (3) working days from date of receipt.

6. **Warranty.** Seller warrants all products are free of defects in material and workmanship for a period of twenty-four (24) months from date of shipment. Upon completion of warranty repair the product will be warranted for a period of ninety (90) days or the balance of the original two (2) year warranty period, whichever is greater. In the event that the original warranty has expired, the extended ninety (90) day warranty is limited to the material and workmanship associated with the specific repair activity.

The following warranty exclusions apply:

1. The elimination of externally generated noise caused by aircraft electrical systems or other components connected to any Seller's product.
2. Costs associated with the installation, removal or reinstallation of any product.
3. Cosmetic damage to any product due to installation, removal, failure in following operating or care instructions, or any neglect or misuse of the product.
4. Damage or malfunction caused by any unauthorized modification to the product.
5. Any malfunction caused by improper installation or connection to industry standard cabin management or entertainment systems.
6. Any product that is returned for service with a broken tamper evident seal, indicating tampering or improper handling of the product by an unauthorized person. Violation of product seal voids any warranty, either expressed or implied.

Warranty services will be performed by Seller. Parts being returned for warranty service must be processed in accordance with the following Returns procedure.

7. Returns.

- **Procedure:** All returned goods must be accompanied by a packing list and Seller issued RMA number that is clearly visible on the outer most packaging of the shipment. RMA numbers may be obtained by calling the Sales Department. Failure to follow this procedure may result in delay of repair, issuance of a credit memo, or the loss of items not indicated on the packing list. Failure to follow these procedures may also result in the rejection of the shipment.
- **Freight:** Unless otherwise agreed, the sender must prepay all returns. No second party billing shipments will be accepted. It is the responsibility of the sender to package returned items in a manner that protects against transit damage. Freight damage resulting from improper packaging will be the sole responsibility of the sender.
- **Credit:** No credit will be issued for missing parts, incorrect parts, customer damaged goods, freight damaged goods or goods whose tamper evident seal has been violated.
- **Out-of-Warranty Repairs.** Upon completion of a preliminary failure analysis, a quotation describing the repair activity and estimating the associated cost of repair will be provided to the customer. This quotation must be signed and returned to the Sales Department prior to any repair being performed. If an open account is not already established with the customer, payment terms (if applicable) must be arranged prior to the repaired item being returned to the customer. In the event that product is returned for bench testing only, or if failure analysis indicates that no defect exists, a flat fee of \$500 per unit will apply.

8. Conflicting Terms. The foregoing terms and conditions of sale are applicable to all Sellers' goods. If Buyer's order contains terms and conditions of Purchase, Seller's terms and conditions will be considered the terms and conditions binding on the parties.

9. Choice of Law / Arbitration. This sale of goods takes place in California and subsequent disputes between Buyer and Seller shall be resolved under the laws of the State of California. The parties agree that any dispute shall be resolved by binding arbitration pursuant to the current procedures in force by the American Arbitration Association.

10. Cancellation. Orders accepted by Seller are subject to payment in full at the time of cancellation since all orders are custom and built to order.

11. Non-Recurring Engineering. If any Non-Recurring Engineering (NRE) is required, Seller will provide quotation to customer.

12. Plating. The switch panels are manufactured with an anodized finish. Should plating be required, a separate Purchase Order shall be issued for use to the selected Plating Vendor. If Seller issues the plating Purchase Order, additional handling charges will be applied to the total plating charge.

13. Support & Spare Equipment. Seller Field Service Technicians may be available on-site during the initial power-up phase of the system. Payment terms are: Technician Hourly Rate \$150, Per Diem, Air Fare, Rental Car, and Hotel per Technician.

Spare components are not included unless specifically called out in the proposal. A Spares Package, developed by the customer and Seller, may be purchased at additional costs.

A Fly-Away Kit, used for troubleshooting the SmartLink III™ bus and components, is available for purchase. Seller shall include training, conducted at the Seller's facility, at no charge prior to power up of the system.

14. Delivery. Scheduled deliveries of products shall be mutually agreed upon. Typically, components will be available eight to twelve (8 to 12) weeks depending on configuration following receipt of Purchase Order. Delivery schedule will be specified on Purchase Order.