

GENERAL TERMS AND CONDITIONS OF THE SALES CONTRACT AND PURCHASE ORDERS

GENERAL PROVISIONS

On signing each document, required for the execution of the order or contract, the buyer accepts in its entirety and without any reservation also these general terms and conditions of the sales contract and purchase orders (in continuation GTC), bearing in mind that these GTS do not apply to general documents published by LZ design d.o.o., (limited liability company) Logatec (in continuation LZ DESIGN), including the promotional brochures and catalogues, which are only of the informational value.

The GTC apply in the same manner to the products, as well as to their individual parts or components and to services (in continuation the goods). Besides GTC it is impossible to enforce any other terms and conditions, except in case when such an exception is allowed by a written document composed by LZ DESIGN and signed by its general manager or a person authorised by him. In case when LZ DESIGN, being in a legal relationship with its client, does not enforce any of the rights of any of the GTC, it possesses the full right to enforce these rights later, for such a postponement cannot be regarded as a valid renunciation of the GTC.

ORDERS

FES orders are final and are regarded as accepted, when confirmed by LZ DESIGN in writing.

The goods are ordered personally by the buyer or by a person authorised by him, who presents himself with an authorisation certified by a notary or some other local government institution. The buyer or his authorised representative cannot transfer the order to the third party without the LZ DESIGN's prior agreement.

Changes or cancellations of the order on the part of the buyer are unacceptable, except on condition the buyer informs LZ DESIGN or its representative about such a change or cancellation by a registered letter, provided it is received at least 2 months prior to the delivery date and on condition that LZ DESIGN gives its consent.

In case LZ DESIGN does not receive information about such changes or cancellations, the buyer has no right to claim a reimbursement of the sum he already paid. LZ DESIGN is not obliged to reimburse these payments and may keep them as a flat compensation.

PRODUCTS

LZ DESIGN reserves itself the right to introduce, at any given time and without a prior notice, changes concerning the materials, systems or spare and additional parts if it considers that to be necessary.

DELIVERY

Prices are decided by LZ DESIGN. The transport costs are paid by the buyer.

LZ DESIGN is authorised but not obliged to insure the goods at the expense of the buyer. The risks related to the possible ruin or damages to the goods are transferred to the buyer, as soon they are loaded on the means of transport at the LZ DESIGN's headquarters or production premises.

LZ DESIGN determines the delivery dates in the same succession as the orders are coming in, and according to the production capacities.

The delivery dates are determined with regard to the production, however they may be subject to change in case of some unanticipated problems or delayed deliveries of products' parts, components or other materials required for the product's completion.

LZ DESIGN cannot guarantee the delivery in case of vis maior (overpowering force), governmental measures, war or armed conflicts, public disorder or similar generally known hindrances that may obstruct or prevent the production and delivery.

The over-passing of the delivery time limits for up to three months cannot be considered as the reason for the enforcement of compensation or the interest claims, and it does not entitle the buyer to withhold or cancel the current orders.

In case of delay that exceeds the envisaged delivery date for at least three months, the buyer has the right to cancel his order by a registered letter addressed to LZ DESIGN. The buyer has to offer LZ DESIGN an additional possibility to execute the order within the next 15 business days. In case LZ DESIGN does not even in this additional time fulfil the order or contract, the order is after the expiration of this term considered annulled. LZ DESIGN will, within next 30 calendar days, reimburse the buyer the entire sum paid, yet in case of the reimbursement after the expiration of the above stated time limit LZ DESIGN is obliged to pay also the interest for all the time that passed after the expiry of that time limit. The interest rate is determined according to the current rates on the capital market (euro libor) with an addition of three points.

In any case, the delivery is made possible only after the buyer has met all his financial liabilities with LZ DESIGN, regardless of whether the contractual obligations have been fulfilled or not; The possible reasons for not complying with such obligations are of no significance.

In case the buyer delays his payment, he is bound to pay LZ DESIGN interest for retardation according to the determined regulations, and in their absence according to those applying to the bank loans with the repayment date of over one year at the bank institutions at the place of the supplier.

The delivered goods, that are exceptionally not entirely paid, remain in the possession of the LZ DESIGN until the buyer meets all his liabilities. During this time the buyer is not allowed to appropriate or burden the received goods.

In case the buyers acts contrary to the endorsed contract, especially in case of delaying the payment, the LZ DESIGN is allowed to withdraw the subject of the contract. The receipt of the goods does not signify that the LZ DESIGN has withdrawn from the contract, except if it explicitly announces so in writing.

In case the buyer dies before the envisaged delivery, the paid sum will be reimbursed within three months to the account or to the person determined to be an heir by the inheritance decision or by some other judicial or official document.

THE OBLIGATION TO ACCEPT THE GOODS

In case the buyer, out of any other reason besides the delay, which exceeds three months, as stated above, declines to accept the ordered goods, LZ DESIGN may take over the goods thirty days after receiving the registered letter about the un-effectuated acceptance of the goods, and is in such a case allowed to keep the buyer's payment as a temporary indemnity, yet without any eventual compensation for damage or interest.

LZ DESIGN may, in accordance with its own judgment, yet following the buyer's orders or for buyer's needs, store the goods. LZ DESIGN however is at the same time entitled to make out an invoice for the storage costs but not before the expiry of one month.

If the buyer does not take the stored goods within the agreed time limit, LZ DESIGN summons him by the registered letter to accept the goods or demands the compensation equal to 25% of the purchase price of the goods. In such a case it is allowed to sell the goods and thus to cover the compensation, expenses and interest, the rest however is given back to the buyer.

THE ACCEPTANCE OF THE GOODS

The buyer takes the goods, as a rule, at the LZ DESIGN's representatives. In case the buyer comes from the country where the network of LZ DESIGN's representatives is not yet in place, he receives the goods at the LZ DESIGN's headquarters. The goods are considered unconditionally accepted the moment they are loaded on the transport vehicle at the location of the LZ DESIGN's headquarters or at the production area, or at the location of the representative's head office.

On handing over the goods to the client or his representative, or to the carrier or in case of the personal delivery to the buyer himself, all the risks are transferred to the buyer, regardless to whom of all the above stated the goods have been delivered and regardless of who is covering the transport expenses.

On accepting the goods the buyer also personally assumes responsibility for their proper care and the control of their operation.

Regardless of buyer's demands, that are agreed upon already with the carrier, the buyer may in case of visible defects or incompatibility of the delivered goods with the ordered ones send a letter of complaint. It has to be sent as a registered letter within eight days after the acceptance of the goods. If the buyer himself or his assistants might have detected the visible defects already during the delivery, he has no right to complain about such defects later.

The buyer / LZ DESIGN representative is to fill out the Acceptance Record and return it to LZ DESIGN within 7 days of Acceptance of goods.

In case the defects are hidden and of such a nature that the buyer could not detect them during the acceptance of the delivery and in case these defects were already present at that time, the buyer is obliged to send a complaint by a registered letter.

LZ DESIGN does not bear any responsibility whatsoever for any defects that it is otherwise responsible for and which may turn up or are found out a year after the delivery.

The buyer must present a detailed description of all the defects, that have been detected on the goods, he must also provide the proofs or protect the defects by taking photos of them or in any other similar and as objective as possible manner. LZ DESIGN or its representative must be given all the required opportunities to survey and examine the defects. The repair is within a competence of LZ DESIGN; the buyer himself or with the aid of a third party has no right to interfere with the reparation process.

The buyer has to confirm the acceptance of the goods by a written document, which contains one of the following possibilities:

- unconditional acceptance
- acceptance with the description of deficiency
- the refusal of the acceptance due to the reasons that have to be mentioned.

RETURN OF THE GOODS

In case of any return of goods, the official written document has to be composed and signed by LZ DESIGN or its representative as well as by the buyer. Without such a document any returned goods remain the property of the buyer, the buyer however, is not entitled to a reimbursement of the purchase price. LZ DESIGN does not assume any responsibility for such goods, neither for the expenses related to the shipment.

The costs, related to the return of goods, are always covered by the buyer.

Any return of goods approved by LZ DESIGN may after the verification of the qualitative and quantitative status of the returned goods result in the admission of the buyer's right to be reimbursed the purchase money.

If LZ DESIGN finds out that the goods have visible defects, or in case the delivered goods are not corresponding to those that were ordered, the buyer has the right and is entitled to the cost free substitution of the goods, as well as to the damage compensation or interest, if the substitution is not effectuated within the next three months. In case the complaint is justified, the guarantee period is idle (stopped) until the deficiency is rectified.

GUARANTEE

The buyer has a right to the guarantee according to the legal regulations in force in the Republic of Slovenia for all range of products, propeller and parts..

The buyer has the right to the guarantee for ordered products and goods, as approved by LZ DESIGN, for a period of 12 months or 20 hours of operation (what expire first) except European union.

For the EU countries the warranty is in accordance with EU rules.

The guarantee is unconditionally valid from the moment the buyer takes the goods at the representative or LZ DESIGN 's headquarters and has filled out the Acceptance Record and returned it to LZ DESIGN within 7 days of Acceptance of goods.

If the LZ DESIGN 's goods turn out to have defects, LZ DESIGN is entitled to rectify the deficiency or to offer the substitutional goods.

If LZ DESIGN is not willing to replace the goods, if it is not in position to carry it out or when the reparation proves to be ineffective for the third time, the client is entitled to withdraw from the contract or demand the reduction of the agreed purchase price.

The guarantee is in such case prolonged for that time within the guarantee period, wherein the airplane is non-functional.

CASES THAT EXCLUDE THE LZ DESIGN'S GUARANTEE RELATED OBLIGATIONS

In all cases of the eventual enforcement of the guarantee, it applies only to individual components and parts.

The guarantee does not include the costs related to the transport of the product, goods, and spare parts or the costs related to the time when the goods are idle. LZ DESIGN does not offer a guarantee for the damage, which is brought about by the use of the product or goods, and especially does not a guarantee for the lost profit or some other financial or non-financial damages to the client or to the third party or thing.

HANDLING THE PRODUCTS AND GOODS

The right to the guarantee is excluded in the following cases:

- in case that the customer has not ratified with his signature this GENERAL TERMS.
- in case the FES is not used according its manual, the LZ DESIGN's instructions, or according to the sailplane's Flight and Maintenance manuals;
- in case when the original additional or / and spare parts are replaced with non-original parts;
- in case the additional equipment is built-in without the LZ DESIGN's prior knowledge;
- in case the sold material was in any way changed or modified;
- in case when the defect is brought about by the user's deficient maintenance, an inappropriate care or cleaning or by his negligent handling, inexperience, or it is due to the use of the product and of its individual parts or components in inadequate conditions or it is due to the prolonged use of the product or goods, owing to the over-strain, even when it is only of a short duration, or it is due to the fact that the repair was not carried out neither by LZ DESIGN nor by its authorised expert;
- in case of parts that get worn out by the normal use, e.g. the , electric instruments, electric installation, cables, connectors, bearings, battery cells...
- the user must ensure the regular check outs and a regular maintenance of FES. Some maintenance works that are demanded by the manufacturer must be carried out at the authorised service centres. In case these obligations are not fulfilled, we do not consent to any guarantee rights.

REPRESENTATIVES

- Representatives act according to LZ DESIGN's directives. Representatives are not responsible to the buyer.

LIABILITIES

Front Electric Selflaunch or Sustainer (FES) system (which is used on light or ultralight powered sailplanes) is non-certified product and is not constructed in accordance with the ICAO standards. The same applies also to the production processes and to all repairs. FES is not in conformity with the ICAO' certificate for the standardised flight, which is currently in force.

On signing the contract the buyer accepts the general terms and conditions of the sales contract after he has been already informed that the use of the sailplane equipped with FES may prove to be perilous, as it may happen that the navigating of the sailplane in conditions of the complete control is rendered impossible owing to:

- incidental forces of nature or unpredictable meteorological conditions or effects;
- defects in the production or repair (service) processes;
- the sudden break down of the motor, controller, FCU or a propeller.

On accepting the goods the buyer assumes the full responsibility for all the risks related to the active use of sailplane equipped with FES and declares that he will use it at his own risk and thus excludes any responsibility on the part of LZ DESIGN or its representative. In accordance with all stated, the buyer agrees that neither him nor persons using his sailplane equipped with FES, nor his relatives or his legal representatives would introduce any compensation claim due to the use of the LZ DESIGN's goods. The buyer undertakes that the damage caused to the third party, due to the use of the FES, is to be paid by himself. If the compensation claims are directed to LZ DESIGN the buyer undertakes that he will co-operate in its sorting-out and will pay for the damage. The buyer also undertakes, that the eventual compensation claims, that LZ DESIGN would be obliged to pay or which it already paid, are to be fully reimbursed to LZ DESIGN by himself.

As it is stated in the instructions for the use of the FES, which is considered on the moment of acceptance the buyer's property, there are possibilities of a break down or a stoppage of the above-mentioned FES at any time.

The buyer admits he has been informed, that he should take into account the flight limitations stated in the instructions to the product or goods, as well as limitations decreed by the regulations for the category of power assisted sailplane. The user must, in any case, during the take off, flight or during any other activity when navigating the plane take into account and anticipate the possibility of the safe landing also in case of the FES failure.

The user, who does not take into account this warning and rejects the possibility of landing in good conditions without the use of the FES cannot accuse LZ DESIGN for being responsible for any damage done to the sailplane or to its users or to the third party, regardless of whether these persons were present on the plane during the flight or not.

ARBITRATION CLAUSE

The solving of all legal disputes concerning the content and interpretations of this contract and those concerning the fulfilment of its general terms and conditions falls within the competence of the law court of the town of Ljubljana, Republic of Slovenia.

On accepting the GTC, both parties enter into an agreement that the judicial arbitration, concerning their relationship, as outlined in orders or sales contract, is governed by judicial regulations and substantive law of the Republic of Slovenia; except when the GTC stipulate otherwise.

In order to protect its interests, LZ DESIGN is entitled to enter a lawsuit also at the law court, which is competent at the place of the buyer's headquarters.

In case the translation of the GTC and its Slovenian original prove to convey differences in meaning, the authoritative and decisive text is the Slovenian original version.

Place: Logatec, date _____

LZ DESIGN d.o.o., Logatec
Name: Luka Žnidaršič

signature: _____

I declare that I have read and I accept the general terms and conditions of the contract

The buyer:

Name: _____

signature: _____

I declare that I have read and I accept the general terms and conditions of the contract

The distributor:

Name: _____

signature: _____

I declare that I have read and I accept the general terms and conditions of the contract