

IDS Terms and Conditions Guide
Section G

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WARRANTY (SUPPORT EQUIPMENT) C-17 (Lot VIII and Beyond)

1. The Seller warrants to Buyer and the U.S. Government, the operators of Buyer's model C-17 aircraft, that all products delivered hereunder, by Buyer or U.S. Government, shall:

- a. Conform to the applicable specifications or drawing incorporated or referenced herein;
- b. Be free from defects in material and workmanship;
- c. Be free from defects inherent in design, except to the extent such design was furnished by Buyer, including defects arising from the selection by Seller of materials, in view of the state of the art as of the date of such design or the date of this contract, whichever is later; and
- d. Be merchantable and fit for the purposes intended. Purposes intended includes, but are not limited to, complete and immediate satisfactory service and proper functioning.

2. THE WARRANTY PERIOD(S) SHALL BE AT LEAST AS FAVORABLE AS THE WARRANTY PERIOD(S) OFFERED TO THE SELLER'S MOST PREFERRED CUSTOMER AT NO ADDITIONAL COST TO BUYER, COMMENCING WITH DELIVERY BY BUYER OF EACH AIRCRAFT OR PRODUCT TO THE U.S. GOVERNMENT.

The Warranty period(s) are identified on the PO/Contract where Clause G102 is referenced.

3. As to defects arising from failure to conform to the specifications or defects in material or workmanship, Seller shall repair the item or replace it with a product free from defects. With respect to defects in design or as to failure or unsuitability for intended purposes, Seller shall correct such defects, failure or unsuitability of the product or replace it with a product free from any defect, failure or unsuitability.

4. The foregoing repairs, replacements, and corrections shall be accomplished on a no-charge basis to Buyer or the U.S. Government. Whenever the product contains a defect, failure or unsuitability for which the Seller is liable under Seller's Warranty and such product has been corrected, repaired or replaced pursuant to this contract (to the extent that the defect, failure, or fault is not attributable to a defective correction, repair or replacement by Buyer or the U.S. Government), the period of Seller's Warranty with respect to such correction, repair, replacement, or redesign, whichever may be the case, shall be the applicable period set forth in Paragraph 2 above, computed as of the date of the correction, repair or replacement. Should a pool of rotatable items be required to support Buyer or the U.S. Government for the corrections, repairs or replacement of a product for which Seller is liable under the terms and conditions of this Warranty, Seller shall promptly provide such items at no charge.

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5. Upon receipt of a defective item for correction, repair, or maintenance under this warranty, Seller shall perform any required work within sixty (60) days from the receipt of such defective item and the authority to proceed from Buyer or such other time as set forth in this contract.

6. All transportation costs for products subject to correction pursuant to the terms and conditions of this Warranty, shall be at Seller's expense.

7. Wherever in the opinion of Buyer or the U.S. Government and the Seller, the return for repair to Seller's plant of a Warranty product is not feasible, the Seller shall, at the election of Buyer or the U.S. Government, either:

- a. Promptly dispatch a field modification group to effect such repair, in which case all costs incurred, including those related directly to such repair, shall be borne by Seller.
- b. Authorize Buyer or the U.S. Government to effect repair, replacement or correction of the product in which case all costs incurred relating directly to such repairs shall be borne by the Seller. In this case, the Seller shall promptly reimburse or credit the account of Buyer or the U.S. Government an amount equal to the actual cost of material and repair man-hours required to effect repair.

8. When the return for repair to Seller's plant of a Warranty product is not feasible, Seller shall, within seventy-two (72) hours following notification of a defect, accompanied by Buyer's or the U.S. Government's request that it be permitted in to make repair, replacement or correction, notify Buyer or the U.S. Government of approval or disapproval or such request. Failing such timely notice by Seller, approval of such request shall be deemed to have been given by Seller.

9. This Warranty is in lieu of and replaces the Article entitled "Warranty", as set forth in the General Provisions.