

Technisonic Industries Ltd.

240 Trader's Blvd. E., Mississauga, Ontario L4Z 1W7 Tel: 905 890-2113 Fax: 905 890-5338 www.til.ca

U.S. DEALER AGREEMENT

Dealer Name: _____

Address: _____

City: _____ State: _____ ZIP _____

Avionics Manager: _____

Repair Facility Approval No. _____

Phone: _____ FAX: _____

E-Mail: _____

Effective Date of Agreement: _____

(to be completed by TiL)

Technisonic Industries Limited, a Corporation organized under the laws of the State of New York, (herein after referred to as "TiL"), doing business in the city of Amherst, New York, Hereby appoints:

(to be completed by TiL)

as a Factory Approved Dealer to sell and service TiL products.

PURPOSE:

1.0 The purpose of this agreement is to establish the herein named firm as a Factory Approved Dealer, fully qualified to sell, service and support the TiL product line. TiL products shall be sold only through Factory Approved Dealers.

GENERAL:

2.0 TiL shall exert it's best efforts to supply the Dealer's product requirements as promptly as possible, and to provide the Dealer with a product which will enhance the Dealer's position and reputation with it's customers.

2.1 TiL will make available (on a subscription basis) a technical library on current products, and give such engineering assistance on any problems directly concerned with proper utilization of it's products as TiL shall deem necessary.

2.2 The Dealer shall use its best efforts to develop customer interest and promote the sale of TiL products. The Dealer will ensure that TiL products will be represented in catalogs, displays, and other material provided to customers.

SALES TERRITORY:

3.0 The Dealer's territory shall consist of the area in which it can provide good quality service. The Dealer shall service its territory on a NON EXCLUSIVE basis. TiL reserves the right to market its products directly to all Government Agencies, Airlines and Fleet Operators, and Airframe Manufacturers, at its discretion, if circumstances warrant.

ADVERTISING:

4.0 TiL wholeheartedly encourages Dealer advertising of TiL products. The Dealer will not advertise TiL products in any media which TiL feels would be detrimental, such as those which primarily advertise used or surplus equipment. Acceptable practices are circumstances where the Dealer includes TiL products in normal advertising releases within its distribution area, where appropriate.

4.1 TiL shall aid the Dealer in planning sales campaigns for TiL products by making available such technical assistance and sales advice as may be reasonably required.

4.2 TiL may include the Dealer's name and address in trade advertising which services the Dealer's trade area, if requested.

PRICE:

5.0 The Dealer shall make every effort to sell TiL products at a profit.

5.1 The price to the Dealer shall be 25% off TiL's current AON price at the time of receipt of the order, except where amended for special offers or restricted products as indicated in current price lists or sales bulletins.

5.2 An additional discount of 2% off invoice value is extended for prepayment.

5.3 All shipments will be FOB Amherst, New York.

5.4 Special pricing for large, or Government, purchases *may be* negotiated on an individual basis to allow the Dealer to profitably handle such accounts.

5.5 Prices for specialized materials, harnesses, and custom construction or modification of standard products shall be set by TiL at time of accepting order, and a 50% deposit is required to be paid in advance.

5.6 A restocking charge of 15% shall apply to standard TiL products returned to TiL. Specialized products (5.5 above) will not be accepted for return without prior arrangement

5.7 It is understood that prices for TiL's products may be changed from time to time during the term of this agreement, by TiL publishing a Revised Price List. TiL reserves the right to refuse any order for equipment for which prices have been revised unless such order is amended to reflect TiL's current prices.

PAYMENT FOR PRODUCTS:

6.0 All orders are subject to approval and acceptance (or rejection) by TiL at its head office, at its sole discretion. The Dealer agrees to accept and pay for all products ordered and scheduled for delivery on terms outlined below. The initial order is supplied on a COD or Prepaid basis, unless other terms of payment are arranged.

6.1 The Dealer agrees to pay for all subsequent goods on the basis of Net 30 days after shipment by TiL, or as per prior agreement and arrangement with the Distributor. Payment should be arranged so as to arrive prior to the expiration of the 30 day period.

6.2 Failure of the Dealer to maintain prompt payment of its account will result in the suspension of credit terms. Subsequent deliveries will be on a COD basis until such time as TiL (or the Distributor) feels that credit may be re-established. Consistent failure to maintain credit-worthiness may be considered grounds for termination of this agreement.

PRIOR AGREEMENTS:

7.0 This agreement constitutes the whole agreement between the Dealer and TiL; and supersedes and cancels all prior agreements, verbal or written, between the parties.

7.1 This agreement cannot be changed, added to, or modified except by written agreement signed by an officer of TiL and by the Dealer.

TERMINATION:

8.0 Any deviation from or breach of the terms of this agreement by the Dealer, shall be cause for immediate termination of this agreement, which shall be effective upon written notice thereof mailed by TiL to the Dealer by registered or certified mail.

8.1 This agreement may be terminated by either party without cause by written notice given by registered or certified mail by one party to the other. Termination shall be effective thirty (30) days after the notice of termination has been mailed. After said notice has been given by TiL, no orders from the Dealer will be accepted by TiL, and all orders on hand may be cancelled and not filled by TiL.

TECHNICAL SUPPORT:

9.0 The Dealer shall maintain a satisfactory level of technical competence on TiL products and use it's best efforts to attend training schools which are held at TiL from time to time.

9.1 To qualify for Authorized Dealership in each category, the Dealer is required to maintain test harnesses and test equipment as specified by TiL, and as is appropriate to provide service capability for each authorized category. The Dealer is required to provide a list of test equipment on hand at his repair station location, as per "Appendix A" hereto attached. Qualification for each category can be established only by TiL.

WARRANTY:

10.0 TiL shall warrant it's products for a period of one year from the date of purchase by the end user. Specifically excluded from warranty are physical or electrical damage caused by abuse, mis-installation or crash/immersion damage.

10.1 The Dealer shall co-operate and assist TiL in warranty administration to the mutual benefit of the parties and the satisfaction of their customers.

10.2 The Dealer shall handle all complaints received from customers which can be readily handled. All complaints that the Dealer receives which cannot be readily remedied, shall be promptly reported to TiL.

10.3 TiL will be the final arbitrator in interpreting the extent and remedy of warranty.

THE DEALER IS NOT AN AGENT:

11.0 It is expressly understood that each party is an independent contractor conducting it's own business, and does not act as an agent of the other party, nor does either party have the authority to make agreements, representations, warranties or otherwise which shall oblige the other party in any manner. It is further understood that nothing in this agreement shall be construed to establish a relationship of employer/employee, co-partners, joint ventures, or licensor/licensee between TiL and the Dealer.

11.1 The Dealer is specifically prohibited from releasing any schematics marked "CONFIDENTIAL" and/or test information supplied by TiL. This information is released to assist the Dealer in service work, and FOR NO OTHER PURPOSE. Other release of said information is grounds for immediate cancellation of this agreement, and such other legal remedy as may be appropriate.

WAIVER:

12.0 The failure of either party at any time to enforce any of the provisions hereof shall not be construed to be a waiver of such provisions of the right of such party thereafter to enforce any such provisions.

GOVERNING LAW:

13.0 This agreement shall be construed and interpreted according to the Laws of the State of New York..

SIGNED on behalf of the Dealer at:_____

This_____ day of _____, 20_____.

Legal Corporate Name:_____

by:_____, President

Witness:_____

(print name)

APPROVED AND ACCEPTED by Technisonic Industries Limited, at

Mississauga, Ontario. This_____ Day of _____, 20_____.

by:_____, (for Technisonic Industries Ltd.)

Name:_____
(print name)

Witness:_____

(print name)

TiL DEALERSHIP APPLICATION

APPENDIX "A"

Category I - VHF/AM Ground Stations

Please list hereunder, test equipment you have on hand in your facility, applicable to the service and repair of VHF/AM ground station equipment. An appropriate RF signal generator and RF power measuring equipment are required. Please indicate model and serial numbers.

TiL Dealership Application (Appendix "A").

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Category II - VHF/UHF Airborne FM Communications Systems

Please list hereunder, test equipment which you have on hand applicable to the service and repair of VHF/UHF Airborne FM Communications equipment. (minimum to qualify for this category is an appropriate service monitor). Please indicate manufacturer, model and serial numbers.

TiL Dealership Application (Appendix "A").

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Category III - Airborne Audio Management Systems

Please list hereunder, test equipment you have on hand applicable to the service and repair of Airborne Audio Management Systems. Appropriate audio generator and audio power measuring equipment are required. Please indicate manufacturer, model and serial numbers.