###### MALFUNCTION AND DEFECT REPORT

If a defect or malfunction is found that could result in an imminent hazard to flight, Kings Avionics, Inc. will use the most expeditious method at hand to inform the customer and the FAA. In any event, Kings Avionics, Inc. will file a malfunction and defect report (FAA Form 8010-4) within 96 hours after the defect or malfunction has been found. This report will completely describe the nature of the defect or malfunction. In cases where the filing of such reports may result in a situation prejudicial to the interest of Kings Avionics, Inc., each case in question will be reported to the FAA.