

## Express Exchange® Agreement

Customer and Offer Information

Date of this Offer: \_\_\_\_\_ Customer P.O. #: \_\_\_\_\_  
 Customer: \_\_\_\_\_

Customer Phone: \_\_\_\_\_  
 Customer Fax: \_\_\_\_\_

Article sold by Aero-Zone:

Part Number: \_\_\_\_\_ Serial Number: \_\_\_\_\_  
 Description: \_\_\_\_\_

Condition: \_\_\_\_\_  
 Outright Price: \$ \_\_\_\_\_

Article Exchange Information:

Core Part Number being returned by Customer: \_\_\_\_\_ (if blank then this is the same as the part number sold by Aero-Zone, above)  
 Core Serial Number being returned by Customer: \_\_\_\_\_ (if known) Exchange Fee: \$ \_\_\_\_\_ (in U.S. Dollars)

This Express Exchange® Agreement is made by and between the Customer (as described above) and Aero-Zone (the "Agreement") as of the date written above. Each of Aero-Zone and the Customer are sometimes referred to in the Agreement as a "party" or, collectively, the "parties". Pursuant to the Agreement, Aero-Zone agrees to provide Customer with an Article meeting the description specified above in section titled "Article Sold by Aero-Zone". In exchange for the Article Sold by Aero-Zone, Customer agrees to (1) pay the "Exchange Fee" (as defined above in section titled "Article Exchange Information,") which shall be due and payable within \_\_\_\_\_ calendar days of the Date of this Offer (as defined above in section titled "Customer and Offer Information"), (2) provide a repairable Article meeting the description specified above in section titled "Article Exchange Information" (the "Core"), and (3) pay (a) the final repair fee (the "Actual Cost of Repair"), which shall be equal to the actual total cost incurred by Aero-Zone in connection with the repair of the Core to return it to a condition at least equal to the condition of the Article sold by Aero-Zone and to certify the airworthiness of the Core in an airworthiness authorization and/or maintenance release in accordance with applicable aviation regulations (the "Recertification"), or (b) the evaluation fee (the "Evaluation Fee"), which shall be equal to the actual total cost incurred by Aero-Zone in connection with the performance of evaluations that result in a determination that the Core is Beyond Economical Repair ("BER") as defined in Section I of the Standard Terms and Conditions of the Agreement.

Customer shall deliver the Core to Aero-Zone or Aero-Zone's Authorized Repair Facility (as defined in Section I of the Standard Terms and Conditions of the Agreement). The average cost of Repair and Recertification of an Article comparable to the Core is approximately \$ \_\_\_\_\_ (the "Core Repair Fee"); however, the Core Repair Fee is an estimate for planning purposes only and is not meant to reflect the Actual Cost of Repair.

Aero-Zone reserves the right (but not any obligation) to approve a Customer Recertification of the Core following its repair in accordance with the terms of the Agreement; *provided, however*, that such Aero-Zone approval of Customer Recertification shall be binding on the parties to the Agreement only if in writing and provided prior to the receipt of the Core at Aero-Zone or Aero-Zone's Authorized Repair Facility. Aero-Zone's approval of a Customer Recertification shall also be included in the "Special Notes" section below. Cores delivered to Aero-Zone or Aero-Zone's Authorized Repair Facility without its approval of Customer Recertification shall be accepted or rejected by Aero-Zone at its sole discretion and may be subject to additional charges.

Customer agrees to deliver the Core to Aero-Zone or Aero-Zone's Authorized Repair Facility no later than \_\_\_\_\_ calendar days following the date of this offer (the "Delivery Deadline"). If the Core is not delivered before the Delivery Deadline, then Customer shall pay an "additional exchange fee" equal to the value of the Exchange Fee (the "Additional Exchange Fee"). Customer expressly agrees to pay both the Exchange Fee and the Additional Exchange Fee if the Core is not so delivered before the Delivery Deadline.

For an Additional Exchange Fee, Customer also agrees to deliver the Core to Aero-Zone or Aero-Zone's Authorized Repair Facility no later than \_\_\_\_\_ calendar days after date of this offer (the "Second Delivery Deadline"). If (1) the Core is not delivered to Aero-Zone or Aero-Zone's Authorized Repair Facility before the Second Delivery Deadline, or (2) the Core is determined by Aero-Zone's Authorized Repair Facility to be BER (even if delivered to Aero-Zone's Authorized Repair Facility before the Delivery Deadline or the Second Delivery Deadline), or (3) the Core cannot be repaired in a Reasonable Amount of Time (as defined in section I of the Standard Terms and Conditions of the Agreement), then Customer agrees to pay the Exchange Fee, the Additional Exchange Fee (if applicable), the Evaluation Fee, and the Outright Price (as defined above in section titled "Article Sold by Aero-Zone"). The sum of the fees listed in the preceding sentence shall be due and payable no later than \_\_\_\_\_ calendar days following date of this offer.

Unless Customer Recertification is approved by Aero-Zone, Customer agrees to pay the Actual Cost of Repair and all related shipping charges in connection with services provided on the Core that is not deemed BER. If within 90 days after the first quote of repair from Aero-Zone's Authorized Repair Facility, it finds additional work necessary to complete the repair of the Core, Aero-Zone reserves the right to rebill the Customer, or bill the Customer additional fees, based on Aero-Zone's Authorized Repair Facility's additional findings. The sum of the fees listed in the two preceding sentences shall be due and payable within \_\_\_\_\_ calendar days of each of Aero-Zone's invoices as they are dated to the Customer.

Customer has the option to purchase the Article Sold by Aero-Zone (the "Purchase Option"). Customer may at any time exercise its Purchase Option by (1) providing Aero-Zone with a notice of the exercise of the Purchase Option and (2) remitting to Aero-Zone the amount equal to the Outright Price (as defined above in section titled "Article Exchange Information") plus any Exchange Fee or Additional Exchange Fee invoiced to Customer prior to Aero-Zone's receipt of Customer written notification of Customer's exercise of the Purchase Option. If Customer exercises the Purchase Option, the Customer shall be relieved from the obligation to deliver the Core, and the accrual of any additional fees (other than late charges or fees associated with any due or unpaid balance) shall cease upon Aero-Zone's receipt of the Customer's notice to exercise the Purchase Option.

Customer agrees to pay Aero-Zone all amounts as they become due and payable in accordance with the terms of the Agreement. The definitions and other terms and conditions found in Aero-Zone's Standard Terms and Conditions attached hereto are incorporated herein by reference and are an integral part of the Agreement.

Special Notes: \_\_\_\_\_

The undersigned agrees to the terms and conditions established by the Agreement, and warrants that he or she has the authority to enter into the Agreement on behalf of his or her business. The undersigned also certifies receipt of a copy of the Standard Terms and Conditions referenced herein and incorporated into the Agreement.

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**TO PREVENT ANY DELAY WITH YOUR ORDER BEING PROCESSED, PLEASE SIGN, DATE, & RETURN THIS PAGE A.S.A.P.**

The following Express Exchange® Standard Terms and Conditions Apply to, and Supplement, All Aero-Zone Exchange Transactions:

I. **Definitions.** For purposes of these Standard Terms and Conditions, the following rules and definitions apply:

The term "**Article**" or, collectively, "**Articles**" means any item or items sold by Aero-Zone or on Aero-Zone's behalf to a Customer.

The term "**Customer**" means a company or person that is purchasing or exchanging an Article from Aero-Zone.

The term "**Core**" has the meaning ascribed to such term in the Express Exchange® Agreement.

The term "**Authorized Repair Facility**" means an appropriately-rated facility from the Aero-Zone list of authorized repair facilities, and includes any facility with which Aero-Zone contracts for repair services. Aero-Zone maintains a list of Authorized Repair Facilities and only these facilities may be used by Customers in their dealings with Aero-Zone unless Aero-Zone authorizes an alternative Authorized Repair Facility in writing.

The term "**Reasonable Amount of Time**" shall mean a period of time not to exceed 90 calendar days after the Core has been delivered to Aero-Zone's Authorized Repair Facility.

In the context of an exchange, an Article or Core is considered "**Beyond Economical Repair**" or "BER" when the sum of the Actual Cost of Repair (including the Evaluation Fee), and any other applicable fees or charges associated with such Article or Core exceeds the Outright Price as established under the terms of the Agreement. An Article or Core is also considered BER if it cannot be repaired [using the type of efforts typically used in connection with similar repairs in the aerospace industry] in a Reasonable Amount of Time by the repair facility chosen by Aero-Zone. An Article or Core is also considered BER if it cannot be repaired.

The term "**Pass/Fail Article**" means any Article that cannot be repaired beyond a general pass or fail inspection. A Pass/Fail Article can be, but is not limited to inspected, repaired, overhauled, or new conditions.

The term "**Mature Article**" means any inspected, repaired, overhauled, or new Article where the airworthiness approval certificate is over three years old.

The term "**Acceptable Documentation**" means documentation meeting ALL of the following elements:

A packing slip, invoice, or other commercial document typically used in the aerospace industry from the certificated source and every party thereafter indicating that the Core was released from that source; and one of the following: (1) A non-incident statement from the certificated source indicating that the Core was not previously installed on an aircraft involved in an accident or incident; or (2) a statement indicating that the Core has never been subject to unusual heat, stress, or environmental conditions that could adversely affect the airworthiness of the Core; and a statement that the Core was not procured from any Government or any military source; and verification (such as a part marking where appropriate, OEM documentation, or written verification by the certificated source) that the Core was produced by the OEM.

II. **Loss or Damage.** Notwithstanding any other terminology on the Agreement, risk of loss of an Article passes to the Customer when the Article (1) is delivered to the carrier who will be responsible for carriage from Aero-Zone or Aero-Zone's Authorized Repair Facility in the case of an Article shipped to a Customer or (2) is claimed by the Customer in the case of an Article picked-up at Aero-Zone or Aero-Zone's Authorized Repair Facility by the Customer or the Customer's agent. In the event that the Article is lost, stolen, damaged, or destroyed after leaving Aero-Zone or Aero-Zone's Authorized Repair Facility, the Customer shall be obligated to pay all amounts that would be due and payable to Aero-Zone if no such loss, theft, damage, or destruction occurred. In the event that the lost, stolen, damaged, or destroyed Article was shipped as part of the Agreement, the Customer shall be responsible for paying the Outright Price for the Article, and any Exchange Fee previously paid may be credited to the Customer's account at Aero-Zone's sole discretion. In all events, the Customer is expected to insure its Articles against loss. If the Customer fails to insure Article against loss, then the Customer does so at its own peril.

III. **Condition of Cores Provided in Exchange Transactions.** Cores received in exchange transactions must be in repairable condition and must not be BER. Aero-Zone reserves the right to send a Core returned by the Customer to an Authorized Repair Facility which may be different than the Authorized Repair Facility or the repair facility which originally repaired the Article provided to Customer. If Aero-Zone, Aero-Zone's Authorized Repair Facility, or the repair facility determines in accordance with the terms of the Agreement that a Core is BER, Aero-Zone shall ask Customer (via e-mail or other means of communication previously used in communications between Aero-Zone and Customer) to provide shipping instructions enabling Aero-Zone to return the Core determined to be BER back to the Customer at the Customer's cost and expense (the "Return Instruction") and provide the Customer with an option to have the BER Core disposed of by Aero-Zone where additional charges may apply to Customer (the "Disposal Instruction"). If Aero-Zone has not received the Return Instruction or Disposal Instruction in writing (via e-mail or other means of communication previously used in communications between Aero-Zone and Customer) within 90 calendar days of Aero-Zone's initial request for Customer Instructions, Customer (1) shall be deemed to have relinquished all its rights of ownership and all its other rights, if any, to the BER Core, (2) assigns to Aero-Zone all ownership and all its other rights to the BER Core, and (3) acknowledges that Aero-Zone may dispose of the BER Core at its sole convenience and discretion. At no time will Aero-Zone be responsible for submitting or processing a warranty claim on behalf of the Customer. With Aero-Zone's written approval, Customer may send a Core Return for warranty claim directly to its vendor; however, the Calendar days in which the Core Return is due to Aero-Zone will continue to accumulate, which may cause the Customer to incur Additional Exchange Fees, until the Core Return transaction is satisfied per the Agreement. At no time will Aero-Zone be responsible for submitting or processing a warranty claim on behalf of the Customer. With Aero-Zone's written approval, Customer may send a Core Return for warranty claim directly to its vendor; however, the Calendar days in which the Core Return is due to Aero-Zone will continue to accumulate, which may cause the Customer to incur Additional Exchange Fees, until the Core Return transaction is satisfied per the Agreement. Cores received with DER repair/s will not be accepted unless Aero-Zone (1) recognizes the DER repair to be authorized by the OEM, or (2) authorizes in writing the return of a Core having a DER repair, or (3) the Article originally provided to the Customer had the identical DER repair/s.

IV. **Documentation of Cores Provided in Exchange Transactions.** Unless an alternative or variance is specifically pre-approved by Aero-Zone in writing, a core delivered without Acceptable Documentation will be placed in quarantine and treated as overdue until the Acceptable Documentation is provided. Such delay in providing the Acceptable Documentation may cause the Customer to incur an Additional Exchange Fee and/or the Outright Price.

All Cores delivered to Aero-Zone by the Customer must be traceable to one of the following certificated sources:

- The Original Equipment Manufacturer ("OEM")
- An operator with an U.S. FAA Part 91 certificate;

- An operator with an U.S. FAA Part 121 certificate;
- An operator with an U.S. FAA Part 125 certificate;
- An operator with an U.S. FAA Part 129 certificate;
- An operator with an U.S. FAA Part 135 certificate;
- An air agency with an U.S. FAA Part 145 certificate.

Cores delivered to Aero-Zone shall also have an unserviceable tag affixed to them indicating the reason for removal from the aircraft (the "Reason for Removal Documentation"). If the Core documentation does not contain such Reason for Removal Documentation, then the Actual Cost of Repair shall include, at the sole discretion of Aero-Zone or the Authorized Repair Facility, such additional tests and analysis as may be deemed appropriate or necessary to assure reparability and/or airworthiness.

**V. Customer Inspection.** Customer shall inspect the Articles delivered to Customer by or on behalf of Aero-Zone within five business days of receipt (the "Inspection Period"). Customer must notify Aero-Zone in writing of any alleged discrepancies found during the Inspection Period. In the event that Customer notifies Aero-Zone in writing of alleged discrepancies (the "Discrepancy Notice") before the expiration of the Inspection Period, Customer shall have five business days from the day Customer provided Aero-Zone with the Discrepancy Notice to request Aero-Zone's authorization to return the Article (the Return Material Authorization or "RMA"). If a RMA is requested within the time specified in the preceding sentence, and Aero-Zone provides the RMA, the Customer shall return the Article in accordance with section VII of these Standard Terms and Conditions or in accordance with other written instructions provided by Aero-Zone in connection with such RMA.

**VI. Warranty.** Aero-Zone warrants that Articles shall be in the condition identified in the Agreement. In the event that an Article does not meet the condition identified in the Agreement, and the alleged discrepancy could not have been discerned during the shipping inspection, Customer may make a warranty claim by notifying Aero-Zone in writing of the discrepancy and asking for a RMA for warranty consideration. The warranty period begins on the date of invoice, lasts for a period of one year for new and overhauled Articles (other than Mature or Pass/Fail Articles), six months for repaired Articles (other than Mature or Pass/Fail Articles), 30 days for Mature or Pass/Fail Articles and inspected Articles and the discrepant Article must be returned to Aero-Zone for a warranty claim within this warranty period, unless return is waived by Aero-Zone in favor of mutilation. If time is of the essence, then upon receiving written pre-approval from an authorized Aero-Zone representative, Customer may be permitted to return the Article for warranty consideration directly to Aero-Zone, Aero-Zone's Authorized Repair Facility, or the repair facility for evaluation. In response to the Discrepancy Notice under the inspection or warranty provisions of these Standard Terms and Conditions, Aero-Zone may (1) reject the claim if the claim is not authorized under the inspection or warranty provisions of these Standard Terms and Conditions, or (2) issue a RMA and accept the return of the Article. In such an event, the cost of return shipping shall be borne by the Customer. The choice to issue a RMA shall be at Aero-Zone's sole discretion.

Unless written pre-approval is authorized by Aero-Zone, all warranties, expressed or implied, shall immediately cease if Articles are compromised or tampered with by the Customer, an unauthorized repair facility, or other facility opening the Article or tampering with or removing any protective warranty label or sticker from the Article.

The full cost of returning an Article in accordance with a RMA to Aero-Zone, including but not limited to all shipping costs to and from the Customer, and shall be the sole responsibility of the Customer. Any shipping charges covered by Aero-Zone shall be applied and invoiced to the Customer accordingly.

THESE WARRANTY TERMS REPRESENT THE SOLE REMEDIES AVAILABLE TO A CUSTOMER, AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. AERO-ZONE SHALL NOT BE LIABLE FOR ANY WARRANTY OF MERCHANTABILITY OR FOR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. AERO-ZONE SHALL NOT BE LIABLE FOR CONSEQUENTIAL, NOR INCIDENTAL, NOR SPECIAL, NOR PUNITIVE DAMAGES FOR ANY CAUSE OF ACTION THAT ARISES AS A CONSEQUENCE OF, OR IN RELATION TO, THE TRANSACTION SUBJECT TO THE EXPRESS EXCHANGE<sup>®</sup> AGREEMENT AND THESE STANDARD TERMS AND CONDITIONS.

**VII. Returns.** Customer may not return an Article to Aero-Zone unless Aero-Zone has issued a RMA including a RMA number for the return. RMA's may be issued for alleged discrepancies when reported in accordance with section V of these Standard Terms and Conditions. RMA's may be issued for returns for credit at Aero-Zone's sole discretion. An Article sold by Aero-Zone under the Agreement that is returned to Aero-Zone for credit must be (1) in an unused and airworthy condition, (2) returned with original certifications and documentation accompanying the Article when shipped by Aero-Zone (or on Aero-Zone's behalf) to the Customer and (3) accompanied by a written certification, signed by an authorized person on behalf of the returning Customer and any other parties which had the Article on their possession, certifying that the Article has not been installed, and that no attempt has been made to install it, since its receipt by the Customer and other parties. The Customer agrees that for such Articles, the Exchange Fee or the Exchange Fee and Additional Exchange Fee will remain due and payable. Upon receipt by Aero-Zone, such Articles may be sent to an Authorized Repair Facility for evaluation at Aero-Zone's discretion. If Aero-Zone or the Authorized Repair Facility determines that the Article does not meet one or more of the conditions specified in items (1) through (3) of this paragraph in this section VII, then (a) the return claim shall be denied, (b) the Customer shall not be entitled to a refund, and (c) the Customer shall be obligated to pay all fees identified in the Agreement and any costs associated with restoring the Article to the condition in which the Article had been when shipped by Aero-Zone (or on Aero-Zone's behalf) to Customer and/or evaluation fees or costs associated with the determination that the Article does not meet one or more of the conditions specified in items (1) through (3) of this paragraph in this section VII. If the Authorized Repair Facility finds that any found discrepancies are the result of mishandling, misuse, or other incidents which occurred after the Article left Aero-Zone's control, then the Customer shall be obligated to pay all fees identified in the Agreement and these Standard Terms and Conditions. Aero-Zone reserves the right to send an Article or Core returned by Customer to an Authorized Repair Facility which may be different than the Authorized Repair Facility or the repair facility which originally repaired the Article provided to Customer.

**VIII. Customer Charge-Backs.** If Customer elects to pay by credit card or by Automated Clearing House ("ACH"), in the event that the Customer, or any of its representatives, initiates a charge-back, immediately upon the charge-back becoming effective, the Customer shall be obligated to pay to Aero-Zone the amount subject to the charge-back, any fees or costs charged to Aero-Zone as a consequence of the charge-back, and any fees or costs, including attorneys' fees, associated with Aero-Zone's actions to collect payment from the Customer.

**IX. Security Interest.** Until such time as all fees and costs identified in the Agreement are fully paid, the parties agree that Aero-Zone retains a security interest in any Articles shipped to the Customer and such Article be a collateral for all fees and costs due from the Customer, and Customer agrees, upon Aero-Zone's written request, to promptly complete and sign a UCC financing statement representing Aero-Zone's security interest in such Article.

**X. Customer Solvency.** Customer warrants that it is solvent and has no knowledge of any impending insolvency proceedings against it at the time of the transaction.

**XI. Timing.** In all Aero-Zone Agreements, unless otherwise specified, time is considered of the essence. Failure by a Customer to meet any of the deadlines specified in any of Aero-Zone's Agreements shall be considered a material breach of such Agreement.

**XII. Jurisdiction.** All Agreements made by Aero-Zone are made in their local jurisdiction and shall be governed by and interpreted in accordance with the laws of its local jurisdiction, not including the state's conflict of laws' provisions. Both parties agree that any suit or proceeding based on any matter arising out of or brought in connection with the parties' dealings under the Agreement are subject to these Standard Terms and Conditions, or to enforce any clause of any such Agreement, shall be brought in a trial court in its local jurisdiction. Both parties agree to be subject to the personal jurisdiction and venue of that court.

**XIII. Costs and Attorneys' Fees.** In the event that Aero-Zone incurs fees or costs for a collection agent or attorneys' services or in connection with its use of an arbitrator, mediator, court system, or other legal proceeding in order to collect a payment of any amounts owed to Aero-Zone or otherwise enforce any of Aero-Zone's rights' or Customer obligations under any Agreement subject to the Agreement and these Standard Terms and Conditions, Customer shall be obligated to pay to Aero-Zone any and all costs and fees, including attorneys' fees, associated directly or indirectly with any such actions by Aero-Zone.

**XIV. Compliance.** Customer warrants that all Articles will be used in compliance with all applicable laws. Customer warrants that Article will not be subsequently used nor shipped in violation of U.S. and applicable laws, including all export laws and hazardous materials laws. Customer warrants that Articles will not be subsequently used nor shipped in violation of the laws of any jurisdiction through which or into which the Articles are shipped.

**XV. Indemnification.** Customer agrees to defend, hold harmless, and indemnify Aero-Zone, its affiliated companies, their directors, officers, employees and agents from and against any and all present and future liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever, including all costs, expenses and reasonable attorneys' fees incidental thereto, which are or may be suffered by, accrued against, be charged to, or be recoverable by reason of any loss or damage to property or injuries or death of any person arising from the Article that is the subject of the Agreement and these Standard Terms and Conditions.

**XVI. Rejection of Amendments / Additions.** No amendments or additions to the Agreement and these Standard Terms and Conditions of the transaction will be accepted unless they are in writing and signed by both Aero-Zone and the Customer.