



STANDARD TERMS AND CONDITIONS OF EXCHANGE TRANSACTIONS

Customer's order ("Order") shall be subject to and governed solely by these Standard Terms and Conditions of Exchange Transactions ("Terms and Conditions"). Except as expressly provided in writing, any terms or conditions set forth on any documents or terms used by Customer, including but not limited to pre-printed terms and conditions on purchase order documents, and any communications (written or oral) between the parties that are inconsistent with, or are not included within, the Terms and Conditions contained herein, shall be of no force or effect unless signed by an authorized representative of ALBERTH AVIATION, LTD ("Seller").

- A. Seller will deliver the requested Exchange Unit per Customer's instructions, FOB Origin.
- B. Customers have reviewed and found all paperwork relating to the Exchange Unit acceptable. Customers agree to pay the quoted **Exchange Fee** PLUS all transportation costs (including customs fees, charges, and any applicable taxes).
- C. Customer agrees to deliver the Core part in **As Removed/Repairable** condition, unless otherwise agreed, to Seller's facility or repair facility designated by Seller, DDP, INCOTERMS 2020, on or before the agreed date as documented on the Seller's invoice.
- D. The Core part is to be the same part number provided by the Seller and must be at the same modification or higher modification level, unless otherwise approved by the Seller.
- E. Title to the customer's Core part reverts to Seller upon receipt by Seller, with title and risk of loss transfer upon receipt by Seller.
- F. Core part(s) must be returned to Seller with the following certification documents:
 - 1) Seller's Core Return Form.
 - 2) Packing Slip from the shipper.
 - 3) Removal Tag, containing "Reason for Removal" information.
 - 4) If Core is a Time or Cycle Life Limited part, full records and traceability documents to the original manufacturer are required and must be pre-approved by the Seller.
 - 5) Original logbook and all historical maintenance records, when applicable.

ADDITIONAL DOCUMENTS REQUESTED BUT NOT REQUIRED UNLESS STATED BY SELLER

- 6) The Part or Material Certificate (i.e., ATA106 form) that includes:
 - a. Source of the Core. Core must have a clear transfer of ownership and be documented.
- 7) Statement that Core is non-incident related and has not been subjected to any unusual stress, heat, or submerged in salt water.
- 8) Statement that Core was not obtained from any government or military source.
- 9) Statement that Core was produced by the Original Equipment Manufacturer.
- G. If the Core (including all certification documents stated above) is not provided to Seller on or before the agreed **core return date** per Seller's invoice, the Customer agrees to pay an additional Exchange Fee in addition to the original Exchange Fee.
- H. If the Customer's Core (including all certification documents stated above) is not provided to Seller within **thirty (30) calendar days** from the ship date of the Exchange Unit, Seller may, at its discretion, charge an additional Exchange Fee.
- I. If the Customer's Core (including all certification documents stated above) is not provided to the Seller within **forty-five (45) calendar days** from the ship date of the Exchange Unit, the Customer agrees to pay the Core Charge in addition to the Exchange Fee(s) incurred through such date.
- J. In the event the core has over and above work beyond the scope of a standard repair or overhaul, the Customer agrees to pay the additional work scope charges to bring the Core part to a like condition as the original Exchange Unit.
- K. In the event the Core is deemed Beyond Economic Repair (BER), the Customer agrees to pay the full Core Charge in addition to Exchange Fees already incurred and any freight and evaluation charges related to the Customer's Core.
- L. A Core part is considered BER when the repair/overhaul/recertification/freight costs are incurred to return the Core part to the same condition and configuration as the Exchange Unit exceeds 75% of the quoted core/outright price. Furthermore, Seller will not accept the following:
 - a. Core parts that have been heavily modified or extensively and unproductively worked on
 - b. Core parts with missing, modified, or illegible data plates
 - c. Core parts that arrive disassembled
- M. Exchange Units returned for credit may, at the discretion of Seller, be subject to a restocking fee of 25% of the Exchange Fee or \$500.00 (whichever is greater). If the return of the Exchange Unit is beyond 15 days from the ship date, the Customer will be responsible for the Exchange Fee plus the restocking fees.
- N. Customer hereby agrees to these terms and authorizes full recourse to Seller in the event of customer payment default.
- O. In the event Exchange Units are returned by Customer because of a confirmed failure, such return requires return authorization by the Seller, and the return will be processed in accordance with the Seller's return policy.
- P. In the event of such return, Exchange Units will be sent to an FAA repair station for evaluation, and if findings of mishandling or incorrect installation are determined, then the Customer will be charged the Exchange Fee and Core Charge of the Exchange Unit.
- Q. Customer agrees that in any event of a late payment or delay, Seller has the right to immediately reclaim the Exchange Unit upon Seller's written request.
- R. The Customer will assist the Seller to facilitate such reclamation from the end-user if needed.



- S. Customer acknowledges that should such reclamation occur, Customer would forfeit all proceeds received by Seller up to the date of such default.
- T. In the event Customer does not pay in full the Exchange Fee and repair charges for Core by the invoice due date and terms set by Seller, Seller reserves full legal and ownership rights to Exchange Unit and has the right to repossess the Exchange Unit at the Customer's expense.
- U. The terms of this Agreement will be governed by, and construed in accordance with, the laws of the State of Texas, without regard to its conflicts of laws principles. The United Nations Convention on Contracts for the International Sale of Goods will not be applicable to the parties' rights or obligations under this Agreement. Any claim arising from or relating to this Agreement shall be brought exclusively in state or federal courts located in Texas.
- V. If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the remainder of this Agreement shall remain operative and binding on the parties.
- W. No delay on the part of any party in exercising any right will operate as a waiver of such right, nor will any waiver of any right operate as a waiver of any other right, power, or privilege.
- X. These Terms will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. These terms may not be assigned by Customer without the prior written consent of Seller.