



# JALUX AMERICAS, Inc.

390 North Pacific Coast Highway, Suite 2000, El Segundo, California 90245  
TEL (310) 524-1000 FAX (310) 524-1091

## Exchange Agreement

### Customer and Offer Information

Date of this Offer: \_\_\_\_\_ Customer P.O. #: \_\_\_\_\_ CustomerPhone #: \_\_\_\_\_  
Customer: \_\_\_\_\_ Customer Fax #: \_\_\_\_\_  
Credit Card Number: \_\_\_\_\_ CC Expiration Date: \_\_\_\_\_

### Article Sold by Company:

Part Number: \_\_\_\_\_ Serial Number: \_\_\_\_\_ Condition: \_\_\_\_\_  
Description: \_\_\_\_\_ Outright Price: \$ \_\_\_\_\_

### Exchange Part Information (the Core returned by Customer):

Part Number: \_\_\_\_\_ (if blank then this is the same as the part number sold by Company, above)  
Serial Number: \_\_\_\_\_ (if known) Exchange fee: \$ \_\_\_\_\_

- I. This is an exchange agreement made between Customer (as described above) and Jalux Americas, Inc. [hereinafter, "Company"].
- II. Under this agreement, Company shall provide Customer with an Article meeting the description above (the "Article Sold by Company"). In exchange for the Article Sold by Company, Customer agrees to:

(A) pay the Exchange Fee which shall be due and payable upon the Exchange Fee Payment Date, and

(B) accomplish one of these items, as appropriate:

(1) (a) provide a repairable part meeting the above description (the "Core"), and (b) pay the Repair Fee, which is defined as (i) the actual cost charged to repair/overhaul the Core and return it to a condition at least equal to the condition of the Part Sold by Company and to certify the airworthiness of the Core on an airworthiness authorization and/or maintenance release in accordance with applicable aviation regulations, or (ii) the Actual BER Inspection Costs if the Customer fails to timely provide an Acceptable Core; or,

(2) (a) pay the Outright Price for the Part Sold by Company, and (b) pay the Actual BER Inspection Costs; and,

(C) pay, or reimburse Company for paying, all packaging and shipping costs and fees associated with this transaction.

- III. Customer shall send an Acceptable Core to the Company, or to a repair facility specified by the Company, and it shall arrive no later than 30 days after the Offer Date.
- IV. If Customer fails to provide an Acceptable Core within 30 days after the Offer Date, or Company determines that the provided Core is BER, then Customer shall pay to Company the Outright Price in accordance with section II(B)(2).
- V. Each amount due under subsection II(B)(1), II(B)(2), and/or II(C) shall be due and payable ten days after the earlier of (A) the invoice date for an actual repair/inspection cost, (B) Notice of a determination that a Core provided by Customer is BER, or (C) 30 days after the Offer Date.
- VI. Customer may, at any time, choose to purchase the exchange unit for the Outright Price plus any Repair Fee plus any Exchange Fees incurred by Customer at or before the time that Company received written notification of Customer's intent to exercise this option. In such an event, the customer shall no longer be required to provide a Core.
- VII. Customer agrees that Company may charge Customer's credit card for each sum owed as it become due and payable, and Customer waives any requirement for additional signature or verification.
- VIII. The Company's Standard Exchange Terms and Conditions (ver. 1.0) ["SETC"] apply to this Agreement, and are incorporated by reference as a part of this Agreement. Where there is a conflict between a term in this Agreement and the SETC, the language of the SETC shall control.

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

The undersigned agrees to the terms and conditions established by this Agreement, and warrants that he or she has the authority to enter into this agreement on behalf of his or her business. He or she authorizes Company to charge the above-listed credit card for any fees owed under this Agreement as they become due. He or she also certifies receipt of a copy of the additional SETC referenced by this Agreement.

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



## JALUX AMERICAS, Inc.

390 North Pacific Coast Highway, Suite 2000, El Segundo, California 90245  
TEL (310) 524-1000 FAX (310) 524-1091

### Standard Exchange Terms and Conditions (ver. 1.0)

---

The following Terms and Conditions Apply to All Company Exchange Transactions, and take precedence over any other terms and conditions that may apply.

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

- A. **"Acceptable Core"** means a Core that meets all of the requirements of these Terms and Conditions.
- B. The **"Actual BER Inspection Costs"** means the actual costs charged for performing inspections and/or evaluations that result in a determination that the Core is Beyond Economical Repair (BER), which shall include any fees for scrapping and/or disposal of the Core.
- C. The term **"Article"** has the meaning found in 14 C.F.R. § 21.1(b)(2).
- D. The term **"Authorized Repair Facility"** means an appropriately-rated facility from the Company list of authorized repair facilities, and includes any facility with which Company contracts for repair services.
- E. In the context of an exchange, an aircraft part is considered **"Beyond Economical Repair"** (BER) when the sum of the estimated repair or overhaul charge, exchange fee, and any other applicable charges associated with the transaction exceed 75% of the Outright Price established in the Exchange Agreement. An aircraft part is also considered BER if it cannot be repaired in a reasonable amount of time by the vendor chosen by Company (a reasonable amount of time shall be defined as not longer than 1 month).
- F. **"Company"** means JALUX Americas, Inc.
- G. **"Core"** means an Article that meets the part number and serial number description in the Exchange Agreement.
- H. The **"Exchange Fee Payment Date"** is the date on which the Exchange Agreement is signed, unless the Customer has arranged payment terms that apply to the Exchange Transaction, in which case it shall be the date established under the payment terms, but in no event shall this date be later than the date 90 days after the date on which the Exchange Agreement is signed.
- I. The **Offer Date** is the date shown on the Exchange Agreement as the 'Date of this Offer.'

II. **Abbreviations.** For purposes of these Terms and Conditions:

- A. **ANAC** means the Brazilian Agência Nacional de Aviação Civil
- B. **EASA** means the European Aviation Safety Agency
- C. **FAA** means the United States Federal Aviation Administration
- D. **FOB** is a delivery term which means "free on board" and has the same meaning and connotation as the term has in section 2-319 of the Uniform Commercial Code.
- E. **JCAB** means the Japan Civil Aviation Bureau
- F. **TCCA** means the Transport Canada Civil Aviation Directorate

III. **Payments**

A. All payments, costs and fees in the Exchange Agreement shall be in US Dollars.

**IV. Loss or Damage.**

- A. Articles coming from a Company facility are provided FOB Company. Articles coming from a Repair Facility or other third party location are provided FOB from the facility from which the article is to ship.
- B. Once the Article has left a facility, as provided in subsection A, the Article is Customer's responsibility. In the event that the article is lost or stolen after a facility, the Customer shall be responsible for paying the full value of the Article, as if the Article had been delivered and found to be fully conforming.

**V. WARRANTY. COMPANY DISCLAIMS ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND/OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, EXCEPT THOSE THAT ARE PROVIDED EXPLICITLY IN WRITING IN THIS STANDARD EXCHANGE TERMS AND CONDITIONS.**

**VI. Condition of Cores Provided in Exchange Transactions.** Cores received in exchange transactions must meet the following conditions to be considered Acceptable Cores:

- A. An Acceptable Core must be in repairable condition. All articles offered as Cores are subject to inspection (by Company, Authorized Repair Station(s), or both) and are guaranteed by Customer to be repairable and not BER.
- B. Acceptable Core must be the part number described in the Exchange Agreement. No alternate part numbers will be accepted.
- C. Acceptable Cores shall not include PMA parts, nor DER repairs, unless such has received prior written approval before Customer's shipment of the Core.
- D. Time is of the essence for purposes of receiving the Acceptable Core, so an Acceptable Core must be received by Company within the time period specified by the Exchange Agreement.

**VII. Documentation of Cores Provided in Exchange Transactions.**

- A. All Acceptable Core units returned to Company must have full trace documentation to one of the following certificated sources:
- a. For an Article that has never been installed, a production approval holder that holds an ANAC, EASA, FAA, JCAB, or TCCA production approval;
  - b. For an Article that has been previously installed to:
    - i. An operator with a US FAA Part 121 certificate; or,
    - ii. An operator with a US FAA Part 129 certificate; or,
    - iii. An operator with a JCAB air carrier certificate.
- B. Unless an alternative or variance is specifically pre-approved by Company in writing, All Acceptable Core units returned to Company must have ALL of the following elements:
- a. Customer's Certificate of Conformance or Material Certification, indicating the identity and condition of the Article;
  - b. A packing slip, invoice or other commercial document from the certificated source indicating that the Core was released from that source and showing that ownership of the Article or the right to sell the Article was transferred to Customer;
  - c. One of the following: (a) 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 (b) a statement indicating that the Core has never been subject to unusual heat, stress or environmental conditions that might tend to adversely affect the airworthiness of the Core;
  - d. For an Article that was not previously installed, a statement indicating that the Article has never been subject to unusual heat, stress or environmental conditions that might tend to adversely affect the airworthiness of the Core;
  - e. For an Article that was previously installed,
    - i. (a) A non-incident statement from the certificated source indicating that the Article was not previously installed on an aircraft involved in an accident or incident OR (b) a statement indicating that the Article has never been subject to unusual heat, stress or environmental conditions that might tend to adversely affect the airworthiness of the Core; and,

- ii. A statement that the Article was not procured from any government or military source, or a statement from each government or military operator who operated a public aircraft with this Article installed certifying that the relevant aircraft was maintained according to civil standards;
- f. For a life-limited part, back-to-birth traceability that verifies current life status;
- g. For an Article removed as part of a disassembly, a copy of the tear-down report;
- h. For an Article that is represented as having one or more Airworthiness Directive(s) completed, a Certificate of Compliance attesting to the completion of the Airworthiness Directives (ADs), which shall include AD Number, AD Amendment Number, Date and Method of compliance;
- i. Verification (such as a part marking where appropriate, OEM documentation, or written verification by the certificated source) that the part was produced by the production approval holder.

**NOTE:** Accident/Incident-related material is NOT accepted by Company on any Core return.

- C. For an Article that was previously installed, Customer shall provide an unserviceable tag indicating the reason for removal, or Customer shall pay (as part of the repair/inspection fee) for such additional tests and analysis as may be deemed necessary to verify identity, assure repairability and/or confirm airworthiness at the discretion of the Authorized Repair Facility.
- D. Units provided without acceptable documentation will be treated as BER Cores until appropriate documentation is provided. This may trigger a need to pay the Outright Price if appropriate documentation is not provided within the time period set forth for providing the Core.

**VIII. Customer Inspection and Warranty.** Customer shall inspect the goods within 5 business days of delivery. Customer must notify Company of any discrepancies found during this inspection period.

In the event that Customer notes discrepancies during inspection, customer shall have 5 business days after notification to request a Return Merchandise Authorization (RMA). If an RMA is requested, and return is authorized, then the customer shall return the unit in accordance with section X below or in accordance with other written instructions from Company.

Company warrants that Articles provided by Company to Customer as Exchange units will be in the condition identified in the documentation. In the event that an Article does not meet the condition identified in the documentation, and the discrepancy could not have been discerned upon Customer inspection, the Customer may make a warranty claim by notifying Company in writing of the discrepancy. The warranty period begins on the Offer Date, and lasts 180 days. If Customer wishes to make a warranty claim then the Article subject to the warranty claim must be returned to Company at the expense of the Customer with all original documentation within the warranty period.

**IX. Second Chance Core.**

- A. If Customer timely provides a Core that is not an Acceptable Core, then Customer may elect to use this second chance provision. Customer election must be made in writing, within five business days after Company notifies Customer that the Core provided is not an Acceptable Core, and be accompanied by an additional payment equal to the original exchange fee (the "Additional Exchange Fee").
- B. If Customer elects to invoke this second chance provision, the Customer shall
  - a. Pay to Company the Additional Exchange Fee to Company immediately;
  - b. Provide to Company an Acceptable Core to Company within 30 days of the election;
  - c. Pay to Company the Repair Fee for the Core; and,
  - d. Pay, or reimburse Company for paying, all packaging and shipping costs and fees associated with this transaction.
- C. If Customer elects to invoke this second chance provision, but then fails to provide a timely Acceptable Core, then customer shall pay the Outright Price, in addition to the Exchange Fee, Additional Exchange Fee, and any evaluation fees associated with the provided Cores.

**X. Returns.** Customer may not return a unit to Company unless Company has issued an RMA number for the return. RMAs may be issued for discrepancies when reported in accordance with section VIII of these terms and conditions. RMAs may be issued for returns for credit when the part is being returned in the original airworthy condition, at Company's sole discretion.

A Part Sold by Company under an exchange agreement that is returned to Company for credit must be in unused and airworthy condition and must be returned with original certification and documentation. It must be accompanied by a signed statement certifying that it has not been installed, and that no attempt has been made to install it, since receipt by Customer. Such articles shall be subject to a restocking fee of the greater of 15% of the fee(s) associated with the exchange or a minimum fee of \$500. Such articles may be sent to an Authorized Repair Facility for evaluation at Company's discretion. If Company or the Authorized Repair Facility finds that the article does not meet the terms and condition of this section X, then Customer shall be liable for the original fee(s) established by the exchange agreement as well as the costs of any repairs needed, and/or evaluation fees.

A Part Sold by Company under an outright sales agreement that is returned to Company for credit must be in unused and airworthy condition and must be returned with original certification and documentation. It must be accompanied by a signed statement certifying that it has not been installed, and that no attempt has been made to install it, since receipt by Customer. Such articles shall be subject to a restocking fee of the greater of 15% of the Outright Price or a minimum fee of \$500. Such articles may be sent to an Authorized Repair Facility for evaluation at Company's discretion. If Company or the Authorized Repair Facility finds that the article does not meet the terms and condition of this section X, then Customer shall be liable for the sales price as well as the costs of any repairs needed, and/or evaluation fees.

The full cost of returning a unit subject to an RMA to Company, including but not limited to all shipping costs from and to the Customer, shall be the sole responsibility of the Customer. Where Company incurs shipping charges, the shipping charges shall be applied and invoiced to Customer.

**XI. Shipping and Packaging.**

- A. Customer is responsible for all shipping costs for the Core article, including shipping from Customer to Company or a repair facility, from Company to a repair facility, and from Company to Customer.
- B. Unless Company has specified a repair facility, Customer shall ship the Core article to Company at this address:

JALUX Americas  
390 N. Pacific Coast Hwy, Suite 2000  
El Segundo, CA 90245

But if Company has specified a repair facility, then Customer shall ship the Core article to the repair facility that was specified by Company.

- C. Customer shall ensure that the Core is packed and marked (including notice of hazardous substances) in accordance with industry standards and complies with applicable laws and carrier requirements. Customer shall pack the Core in accordance with ATA Spec 300 or equivalent, or use JALUX AMERICAS specified packaging when so stated on the Exchange Agreement.
  - D. In the event flammable, toxic or volatile materials are to be shipped, they shall be packaged in a safe manner per manufacturer's instructions, local regulations or Dangerous Goods regulations as applicable.
  - E. If Customer uses wood packaging material, then such material shall comply with ISPM#15 and its marking requirements when applicable.
- XII. Customer Charge-Backs.** If Customer elects to pay by credit card and in the event that customer initiates a charge-back or otherwise blocks or inhibits payment to Company, then Customer shall owe to Company the amount subject to the charge-back, any fees or costs charged to Company as a consequence of the charge-back, and any fees or costs associated with securing payment from the Customer including those addressed under section XIX of these Terms and Conditions.
- XIII. Security Interest.** Until such time as the contract price for the part is fully paid, Company retains a security interest in any parts sold, and Customer shall promptly complete and sign a financing statement representing such interest upon Company's written request.
- XIV. Customer Solvency.** At the time of signing each exchange agreement that is subject to these Terms and Conditions, Customer warrants that it is solvent.
- XV. Timing.** In all exchange agreements, unless otherwise specified, time is considered of the essence. Failure by a Customer to meet a deadline specified in any Agreement with Company will be considered a material breach.

- XVI. **Company Authorized Repair Facilities.** Company maintains a list of authorized repair facilities and only these facilities may be used by unless Company authorizes an alternative in writing.
- XVII. **Compliance With All Laws.** Customer guarantees that its actions and omissions are in full compliance with all relevant laws, regulations, and government policies, including but not limited to those related to airworthiness and export. Customer agrees to indemnify and promptly reimburse Company for any fees, expenses, fines, penalties or other costs (including attorneys' fees and the reasonable economic effect of any injunctive relief) that are caused by or attributed to non-compliance with this guarantee.
- XVIII. **Jurisdiction.** All agreements made by Company are made in California and shall be interpreted under the laws of California, not including the state's conflict of laws provisions. Both parties agree that any suit brought in relation to this agreement, or to enforce any clause of this agreement, shall be brought in a trial court in Los Angeles or Orange county California. Both parties agree to be subject to the personal jurisdiction and venue of that court.
- XIX. **Costs and Attorneys Fees.** In the event that Company needs to hire a collection agent or attorney or make use of an arbitrator, mediator, court system or other legal mechanism in order to secure a payment owed to Company or otherwise enforce a right enjoyed by Company under any Agreement subject to these terms and conditions, Customer shall be liable to Company for all costs and fees (including attorneys fees) associated directly or indirectly with this process.