



Exchange Agreement (v7.0)

Company Name: _____
Address: _____

This Exchange Agreement (Agreement) between Precision Aviation Group, Inc. including its subsidiaries and affiliates (“PAG”), and the company listed above (“Customer”) governs all exchange transactions between the parties. Unless the parties enter into a different agreement, this Agreement will apply to all exchange transactions between the Customer and PAG, and shall remain in effect indefinitely unless it is superseded by another agreement entered into by both parties or rescinded by PAG. If it becomes necessary to change this Agreement or the offering terms of this Agreement need to be rescinded by PAG, written notification shall be given to the Customer. In relation to material exchanges between PAG and the Customer, this Agreement supersedes all previous agreements and acceptance of it by the Customer renders all previous agreements null and void. Notwithstanding the forgoing, the terms and conditions of PAG’s invoices to Customer and warranty policy shall also apply to any transactions between the parties, and the terms of such invoices shall be interpreted consistent with and subject to this Agreement.

Billing

The Customer will be charged an exchange price as quoted by PAG for each exchange transaction. The Customer will also be advised of and billed a core charge. This core charge will represent the amount that the Customer will owe PAG above and beyond the exchange price if a core of equal or greater value is not returned or the returned core is unacceptable. The core charge will be credited to the Customer’s account upon receipt and acceptance of the core by PAG. The exchange price is based on a like core (a repairable core of the same model and same part number as the unit supplied by PAG), being returned in an economical condition as determined by PAG in its sole discretion. Cores which have been subjected to use or damage constituting more than the normal “wear and tear” will be returned “As-Is” to the customer or subject to additional charges. Cores returned that are found to be Beyond Economical Repair (BER) will be subject to invoice to the Customer at full price. PAG may, in its sole discretion, offset any amounts it may owe Customer or Customer affiliates in the event Customer or Customer affiliates fail to pay any amounts when due. PAG may also retain and resell any core units or other materials that the Customer or Customer affiliates provided to PAG to offset any amounts due. Notwithstanding the forgoing, PAG reserves all rights in law or equity it may have in addition to those set forth herein.

Core Conditions

PAG defines a repairable core as a unit that is in the condition as removed from an aircraft, a unit that is not incident related (i.e. no fire, crash or water damage) and a unit that can be economically repaired. If the cost to repair the core exceeds 75% of the flat rate exchange charge, the unit may be subject to additional billing. The additional billing will not exceed the total exchange price plus core value in any instance. Upon receipt of an exchange core, PAG takes full ownership and rights to said core. Should the repair cost exceed the exchange charge and an additional billing is issued for less than the core charge; PAG has the right to approve said repair and issue the subsequential additional billing without Customers approval. Core repair cycles fluctuate and PAG will make all attempts to additional bill customers within 75 days of core return. PAG retains the right to additional bill exchanged components 180 days from the date of the core is returned and one (1) year for dynamic and/or flight critical components. Should the core unit be deemed BER, the customer may pay the core value or supply an acceptable repairable replacement core unit within 7 days of notification that your unit is BER. Should you wish to provide a replacement core, the Customer is responsible for associated inspection, test and return as is costs. Furthermore, PAG will not accept the following:

- Cores that have been heavily modified or extensively and unproductively worked on.
- Cores with missing, modified or illegible data plates.
- Cores that arrive disassembled.

Core Returns

All cores shall be returned to PAG (see specific subsidiary or affiliate address on invoice). Any and all transportation costs for the return of the core are the responsibility of the Customer. Customer exchange cores are to be returned to PAG within 30 calendar days. Core units not returned within 30 days may, at the discretion of PAG, be subject to an additional charge of 2% of the outright sale price per day. If no core is returned after 45 days, Customer shall be in default under this Agreement, and PAG shall conclude that no core will be sent, and the Customer will be obligated to pay PAG the full core charge immediately without further demand. If the Customer later chooses to return a core after 45 days, PAG’s acceptance of such core is subject to approval by PAG in its sole discretion, including the amount of any credit to be applied to Customer account for the past due core as PAG may incur additional costs as a result of not receiving the core within 45 days.

Original exchange units returned for credit after seven days may, at the discretion of PAG, be subject to a restocking fee of 25% of the exchange price or \$175.00 (whichever is greater). In addition to the restocking fee, the cost to recertify the returned unit may also be assessed if the original certification is not returned.

Cores Returned After Billing

Customers may return a core after it has been billed, however the credits issued will be completed on a pro-rated basis as follows:

- Returned within 30 days of Core Billing will be accepted @ 100% (no late charges)
- Returned within 31 to 60 days of Core Billing will be accepted, subject to a 25% late return fee
- Returned within 61 to 90 days of Core Billing will be accepted, subject to a 50% late return fee
- Returned over 90 days of Core Billing will be accepted, subject to a 75% late return fee

Other

Both Customer and PAG agree that if any provision of this Agreement is unenforceable, that provision either may be enforced to the maximum extent allowed by law, modified as necessary to make it fully enforceable, or considered severed from this Agreement. Customer and PAG further agree that any unenforceable provision does not invalidate any other provision of this Agreement, or the Agreement in its entirety, and the parties agree that they will continue to fulfill all other obligations hereunder.

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, USA, without regard to the conflict or choice of law provisions thereof, and Customer consents to the jurisdiction of the state and federal courts in and for Fulton County, Georgia for all disputes arising out of or related to this Agreement.

The undersigned parties agree to all of the conditions set forth in this Exchange Agreement.

PRECISION AVIATION GROUP, INC.

CUSTOMER

Signature

Signature

Print Name and Title

Print Name and Title

Date Signed

Date Signed

Please email the completed form to your Sales Representative