

**Standard Terms and Conditions for Exchanges (ver. 2.0)**

The following Terms and Conditions apply to all Company Exchange Transactions, and they take precedence over any other terms and conditions that may apply to an exchange Transaction. These Terms and Conditions are automatically incorporated by reference into each Exchange Quote issued by Company.

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

- A. **“Acceptable Core”** has the meaning found in section VI of this Agreement.”
- B. **“Accepted”** has the meaning described in section VIII of these Terms and Conditions.
- C. **“Article”** has the meaning found in 14 C.F.R. § 21.1(b)(2).
- D. An **“Authorized Release Document”** means a document as described in 14 C.F.R. § 21.137(o) or 14 C.F.R. § 43.9(a) and includes corollary release documents issued under the legal authority of another national aviation authority that has entered into a bilateral aviation safety agreement with the United States.
- E. The term **“Authorized Repair Facility”** means an appropriately rated facility, from the Company list of authorized repair facilities, that is designated by the Company.
- F. An Article is considered **“Beyond Economic Repair”** when the estimated cost to return the Article to overhauled condition, in Company’s sole opinion, would exceed 70% of current OEM list price for the same Article or would exceed 90% of the Core Charge for the Core. For an Article for which there is no current OEM list price, the Article is also considered **“Beyond Economic Repair”** when the estimated cost to return the Article to overhauled condition, in Company’s sole opinion, would exceed 70% of fair market value of a comparable overhauled Article; in such an analysis, “fair market value” will be assessed at the reasonable discretion of Company.
- G. **“Customer”** means a person, company, or entity that has sought a Company Exchange Quote and/or sent an Exchange Purchase Order to Company, when Company has agreed to engage in an exchange transaction with that person, company, or entity. It also includes a person, company, or entity to whom Company has sent an Exchange Agreement, so long as the person, company, or entity accepts the Exchange Agreement.
- H. **“Claim”** has the meaning described in Section XIII of these Terms and Conditions.
- I. **“Company”** means Stratton Aviation, LLC.
- J. A **“Company Exchange Agreement”** means the combined offer and acceptance in a Company Exchange Transaction, including terms that are incorporated by reference.
- K. A **“Company Exchange Quote”** means any Company offer to perform an Exchange, including documents labelled as “quote” or as “Exchange Agreement.”
- L. A **“Company Exchange Transaction”** and/or **“Transaction”** is any Exchange or contemplated Exchange between Company and a Customer and includes a Quote and/or a non-consummated offer of sale.
- M. A **“Domestic Transaction”** means any Company Exchange Transaction in which (1) the Customer’s address shown on the Customer’s Purchase Order is located in the United States, and (2) each destination shown on the Customer’s Purchase Order is located in the United States, and (3) all payments for the transaction are coming from accounts in the United States.
- N. **“Ex Works”** is a delivery term which has the same meaning and connotation as the term has in Incoterms 2020.
- O. **“Exchange”** means a business deal in which Company provides an Article to Customer, and in consideration of this, Customer pays Company and also provides to Company an Acceptable Core.

## **Stratton Aviation LLC**

---

- P. **“Goods”** means parts, materials, tools, software, drawings, data, manuals or any items that are required to be delivered pursuant to, or in connection with, a Company Exchange Transaction”. It includes Articles but it may also include goods that are not Articles.
- Q. **“Inspection Period”** has the meaning described in section IX of these Terms and Conditions.
- R. An **“International Transaction”** means any Company Sales Transaction that is not a Domestic Transaction.
- S. **“Purchase Order”** means the purchase order issued by Customer for the Company Exchange Transaction, which may be a written or electronic document. If accepted by the Company, this may also include oral or unwritten requests. If the Purchase Order responds to a Company Exchange Quote then the Purchase Order is the acceptance of the Quote (and forms a contract on the terms in the Quote). Otherwise, the Purchase Offer is an offer, which may be accepted or rejected by the Company.

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

- A. **EASA** means the European Aviation Safety Agency
- B. **FAA** means the United States Federal Aviation Administration
- C. **NDA** means Non-Disclosure Agreement
- D. **RMA** means Return Merchandise Authorization

### **III. Scope of Terms and Conditions**

These Terms and Conditions apply to all Company Exchange Transactions and are incorporated by reference into each Exchange Quote issued by Company. Unless they are specifically incorporated by reference in a writing signed by Company, these Terms and Conditions do not apply to any transaction that is not a Company Exchange Transaction. Any terms and conditions that are offered by the Customer and that are inconsistent with these Terms and Conditions are automatically rejected.

### **IV. Orders and Acceptances**

- A. Company may provide to a Customer an Exchange Quote, which is an offer subject to the terms and conditions stated. If a Customer accepts the offer with a Purchase Order or through other acceptance, then Company shall form a contract on the same terms as the Exchange Quote, subject to the following conditions:
  - 1. Each Exchange Quote expires fifteen (15) days after the date of the Exchange Quote, and the Exchange Quote is then no longer a valid offer;
  - 2. Each Exchange Quote is subject to availability of the Goods listed, and if a Good listed in the Exchange Quote is not available at the time of the Customer’s Purchase Order, then Company reserves the right to withdraw the offer by rejecting the Customer’s Purchase Order, in whole or in part;
  - 3. Customer is responsible for confirming price, part number, quantity, revision number, modification number, serial number, and stock before submitting a Purchase Order;
  - 4. Company may correct pricing errors of a clerical, arithmetical, or typographical nature and these shall not be considered price changes.
- B. If Customer submits a Purchase Order without a prior Company Exchange Quote for the same goods, then by submitting the Purchase Order to Company, Customer accepts that these Terms and Conditions apply to the Purchase Order and supersede any conflicting terms and conditions.
- C. If Customer solicits an Exchange without issuing a Purchase Order and without a prior Company Exchange Quote for the same goods, then Customer accepts that these Terms and Conditions apply to the transaction and supersede any conflicting terms and conditions.

### **V. Price and Terms of Payment**

## Stratton Aviation LLC

---

- A. **Payment in Dollars.** All payments, costs and fees in each Sales Transaction shall be in US Dollars.
- B. If Customer pays by Wire Transfer, then Customer shall pay to Company an Additional Fee of \$25.00.
- C. Customer's failure to pay, or failure to pay on time, shall be considered a material breach for which Customer does not enjoy a right to cure, and if Company (in its sole discretion) permits an option to cure such deficiency then that does not limit any other right enjoyed by Company.
- D. Company does not pay shipping costs for Company Sales Transactions except in unusual cases. In a case where Company pays the shipping costs, the actual shipping costs associated with the Company Sales Transaction shall be reimbursed by the Customer to Company according to the credit terms agreed-upon between Company and Customer, as if the costs had been incurred as part of the original Company Sales Transaction and shall be due when the payment for the original Company Sales Transaction is due and shall be paid with the original amount to be paid. If the payment due date has passed by the time the actual shipping costs associated with the Company Sales Transaction are communicated to the Customer, then the actual shipping costs shall be paid to Company not later than the third business day after Company informs Customer of the actual shipping costs.
- E. Service Charges owed, based on method of payment, shall be paid with the original amount to be paid. If an owed Service Charge is not paid, then it will be considered to be delinquent and shall begin accruing interest as of the time of the payment with which it was associated.
  - 1. Customer shall pay a Service Charge, in addition to the total amount paid, of 4% for any payment made by Credit Card. This amount is meant to offset the credit card charges imposed by the processor(s) and staff processing expenses. Company accepts Visa, American Express, and MasterCard but this is subject to change at Company discretion, with or without Notice.
- F. Any outstanding fees, charges, or other amounts owed to Company under any Agreement subject to these terms, that remain unpaid, shall accrue interest (owed by Customer to Company) at the lesser of 2% of the outstanding balance per month (or part thereof) or the maximum amount permitted under the law. Interest shall be compounded monthly.
- G. If a due date for a Customer payment cannot be otherwise identified from this document or the Exchange Agreement, then:
  - a. If Customer has a written credit terms agreement with Company, then those credit terms shall apply to such payments;
  - b. If Customer does not has a written credit terms agreement with Company, then payment such payments shall be due in advance:
    - i. If the payment in advance is not successfully processed within seven (7) days of the Purchase Order (for any reason) then Company may cancel the transaction, in its sole discretion.
    - ii. The CEO of the Company may authorize, in writing, the acceptance of payment on delivery. In such a case Buyer agrees to pay any additional fees associated with the carrier's collection of payment on delivery. If the carrier collects payment on delivery, then the carrier's terms and conditions of collection will also apply to the payment collection transaction.
      - 1. If Company authorizes a payment on delivery, and the amount of the Purchase Order is less than \$5,000, then Buyer may pay by company check or by certified check.
      - 2. If Company authorizes a payment on delivery, and the amount of the Purchase Order is greater than or equal to \$5,000, then Buyer shall pay by certified check.

**VI. Exchange Terms**

- A. A Company Exchange Transaction is initiated when a Company Exchange Agreement has been reached using any of these methods:
1. When Company issues an Exchange Agreement (the offer) to the Customer and the Customer signs and returns the Exchange Agreement (the acceptance).
  2. When Company issues an Exchange Quote (the offer) to the Customer and the Customer issues a Purchase Order in response to the Exchange Quote (the acceptance). For purposes of these terms and conditions, the term "Exchange Agreement" shall include an Exchange Quote.
  3. In any other situation in which Company and Customer agree to perform an Exchange.

Any communications prior to this offer and acceptance are not part of the Contract formed by the Company Exchange Agreement and are rejected, unless explicitly made a written part of the Exchange Agreement offer that is issued by Company.

- B. Company shall provide to Customer an Article meeting the terms of the Company Exchange Agreement. Unless otherwise permitted under the terms of the Company Exchange Agreement, Customer shall provide to Company an Acceptable Core.

- C. An Acceptable Core means an Article that meets the following conditions:

1. The Article has the same part number as the one described in the Exchange Agreement;
2. The Article is in repairable condition;
3. The Article is not Beyond Economic Repair;
4. The Article was produced and previously maintained in compliance with applicable FAA regulations, including those regulations permitting acceptance of foreign-produced articles (14 C.F.R. § 21.502);
5. Subject to appropriate and reasonable maintenance practices, the Article is considered acceptable for installation in a United States type-certificated product;
6. The Article is accompanied by complete documentation, including but not limited to:
  - i. Removal records (as appropriate) identifying installation aircraft registration, time on/off, current hours/cycles, etc.,
  - ii. removal record that includes the reason for removal and is signed by a certified technician or corporate officer;
  - iii. documentation that (at a minimum) identifies the Article, identifies the condition of the Article, certifies that the Article has not been installed on an accident-related or incident related aircraft (or has been subsequently cleared through appropriate maintenance that includes hidden damage inspection), and certifies that the Article has not been previously installed nor operated on a public or government aircraft;
7. The Article has not been damaged by external events such as fire, crash, submersion in water, cannibalization, improper repair (including repair outside of the scope of the appropriate OEM manuals), or abnormal wear; and
8. The Authorized Repair Facility determines that the Article can be returned to an overhauled condition for a price that is not more than 90% of the Core Charge quoted to the Customer on the Exchange Agreement.

For the avoidance of doubt, if the estimated repair costs or actual repair costs exceed 90% of the Core Charge, or if the Authorized Repair Facility determines that the Article cannot reasonably be repaired, or if the Article cannot be returned to an overhauled condition by the Authorized Repair Facility for any other reason, then the Article is not an Acceptable Core.

9. Any other conditions required under the Company Exchange Agreement.
- D. To meet Customer's obligation to Provide the Core, an Acceptable Core must arrive at Company (or at the location designated in writing by Company) no later than the core due date, shown on the Exchange Agreement ("Deadline"), which may be described in the Exchange Agreement as the end of the Exchange Period. If the core due date (and the Exchange Period) is blank on the Exchange Agreement, or cannot otherwise be discerned from the Company Exchange Agreement, then the default Deadline shall be 30 days after the offer date.
1. In the event Customer fails to provide an Acceptable Core during the first thirty days of the Exchange Period, Customer shall owe an additional fee equal to the original Exchange Fee for each 30 days (or part thereof) by

## **Stratton Aviation LLC**

---

which the Acceptable Core is late (each a “Monthly Exchange Fee”). This clause does not extend the Deadline nor authorize post-Deadline delivery of the Acceptable Core.

2. All such additional fees and charges shall be due and payable upon the Deadline, unless the Article is determined to be NOT an Acceptable Core at a later time.
3. This Table of Fees is offered for clarity

<b>Day after the Offer Date when the Acceptable Core is received by Company</b>	<b>Fee Owed by Customer to Company</b>
0 – 30 Calendar Days	Exchange Fee
31 – 60 Calendar Days (limited to the Deadline)	2 times the Exchange Fee
No Acceptable Core received by Deadline (including Acceptable Core received after Deadline)	2 times the Exchange Fee plus the Outright Core Charge

- E. **REPAIR OF THE CORE:** Customer shall pay to STRATTON 100% plus a 10% handling fee (110% total) of all fees and costs incurred by STRATTON to return the Acceptable Core to a condition that is at least equivalent to the condition of the Part Sold by STRATTON in this transaction. The fees and costs shall include, but not be limited to, repair station fees and charges for inspections and repairs, as well as shipping charges. This amount shall be paid immediately to STRATTON within 5 days after dispatch of the invoice, or paid subject to terms if written credit terms have been extended to Customer by STRATTON.
- F. If Company or an Authorized Repair Facility finds that the Article that is returned to Company is not an Acceptable Core (the “Finding”) then at the time of the Finding, the Finding shall serve as a constructive notification from Customer to Company that Customer is not providing an Acceptable Core. Company shall promptly communicate the Finding to the Customer.
- G. **FAILURE TO PROVIDE AN ACCEPTABLE CORE:** In the event Customer fails to provide an Acceptable Core by the Deadline, Customer shall owe an additional fee equal to the original Exchange Fee for each 30 days (or part thereof) by which the Acceptable Core is late (each a “Monthly Exchange Fee”). If Customer fails to provide an Acceptable Core by the 60<sup>th</sup> day after the Deadline, Customer shall also owe a Late Charge equal to the Core Charge, in addition to the Monthly Exchange Fees and all other Fees. At any time, Customer may pay the Core Charge plus any other outstanding fees and charges. Upon receipt by Company of such full payment, Customer’s obligation to provide a Core shall end (partial payment does not have any effect on the accrual of charges). Upon receipt by Company of an Acceptable Core, Customer’s obligation to provide a Core shall be fulfilled, but any outstanding and unpaid fees and charges owed due to the transaction shall thereafter be charged
- H. **FEES AND CHARGES:** The Exchange Agreement shall specify an Exchange Fee and an Outright Core Charge. The Exchange Fee shall be due and payable upon the Agreement, without regard to Company’s extension to Customer of credit terms.
- I. **OUTRIGHT CORE CHARGE:** If an Outright Core Charge is not identified on the Exchange Agreement, then the Outright Core Charge shall be equal to the fair market value of the Part Sold by Company (as that article is listed on the Exchange Agreement) minus the Exchange Fee that was already paid. The fair market value of the Part Sold by Company shall be assessed based on resources to be chosen at the discretion of Company.
- J. Company may provide the Core to an Authorized Repair Facility (which may be chosen at Company’s sole discretion) at any time within three years after the date on which it arrives at Company. If the repair facility does not find the Article from Customer to be an Acceptable Core within a reasonable time after provision, then it is not an Acceptable Core and the Customer shall owe to Company the charges as if an Acceptable Core had never been provided, which shall be due and payable immediately upon Company’s notice to the Customer.
- K. Customer may at any time choose to end its obligation to provide an Acceptable Core by paying to Company the sum of the Exchange Fee, plus the Core Charge, plus any fees owed by Company to the Authorized Repair Facility for evaluation of the Core (and for inspections, repairs, or other services that are begun before notice is provided

## Stratton Aviation LLC

---

to the Authorized Repair Facility), plus any other fees owed by Customer to Company at the time that Company receives written notification of Customer's intent to exercise this option (including additional Exchange Fees). In such an event, the customer shall no longer be required to provide an Acceptable Core, and liability for additional repair fees shall not be incurred after the receipt of such notice has been communicated by Company to the Authorized Repair Facility. Under this process, if the Customer notifies Company before the date on which additional Exchange Fees are incurred, that the Customer plans to purchase the part, then the Customer may avoid having to pay the *additional* Exchange Fees.

- L. All fees and charges are due when incurred.

### VII. Ownership and Security

- A. Upon passage of the Risk of Loss as described in section VII, Company shall relinquish, and Customer shall gain title to, the Goods.
- B. Until full payment is made for the Goods, Company retains a security interest in the Goods for the unpaid amount. Upon Company's request, Customer shall complete and sign such additional documentation as may be requested by Company in order to document and/or perfect Company's security interest in the Goods.
- C. While Company retains a security interest in the Goods, Customer shall not allow the Goods to be comingled, installed, nor otherwise handled in any way that would defeat or alter the security interest until Customer has paid the purchase price to Company.

### VIII. Shipment and Delivery

- A. Risk of loss shall pass from Company to Customer, upon the earliest of these events: (1) Ex Works Company when the Goods are made available for pick-up by a carrier at the Company location, (2) Ex Works Company when the Goods are made available for pick-up by Customer's representative if Goods are expected to be picked up from Company's location by Customer's representative, (3) ) Ex Works shipping location when the Goods are made available for pick-up by the carrier at some other location from which the Goods are shipped, or (4) Ex Works Company, if none of the first three conditions apply. When risk of loss passes it shall pass at the location at which the Goods exist at the time that risk of loss passes to the Customer. If the passage of risk of loss is ambiguous or unclear, then risk of loss shall be deemed to have been passed to Customer at the earliest time that it could have passed. For all other purposes, the transaction shall be treated as if it were subject to *Ex Works* (Incoterms 2020).
- B. If Company is responsible for shipping goods, the following standards apply:
  - a. Customer is responsible for shipping charges and Customer shall promptly reimburse Company for actual shipping costs associated with the Company Sales Transaction if Company incurs any costs associated with shipping.
  - b. If the Purchase Order does not state a shipping method, and Customer does not expressly state an intent to pick up the Goods, then Company may ship Goods using any commercially reasonable method, and Customer shall remain responsible for reimbursement of the costs. Company shall ship to the address specified in the Purchase Order; if no address is specified, or if the address is ambiguous, the Company shall ship to Customer at any reasonable address associated with Customer.
- C. Company shall ensure that the Goods are packed and marked (including appropriate markings and labels for hazardous substances and/or materials) in accordance with industry standards and that such packages comply with applicable laws and carrier requirements. In the event special packaging or shipping mechanisms are necessary to meet legal requirements or Customer-requirements, then Customer shall be responsible for so-informing Company in the Purchase Order. If Customer notifies Company that the Goods are flammable, toxic, volatile or otherwise hazardous, then Company shall package them in accordance with manufacturer's instructions, local regulations and hazardous materials (dangerous goods) regulations, as applicable. Customer shall be responsible for compliance costs, including reimbursing Company for the costs of hazmat-specific packaging.

## Stratton Aviation LLC

---

- D. When Customer ships a Core to Company, risk of loss and damage for the Core shall pass from Customer to Company when the Core is unloaded at Company's facility. Until that time, Customer remains responsible for customs clearance, timely delivery, and all legal compliance obligations related to the shipment.

### IX. Inspection and Acceptance

- A. Customer has an obligation to inspect Goods upon receipt. Customer may reject any or all of the Goods that do not conform to the requirements of the Company Warranty found in section XV of these terms within ten days of Delivery of the Goods [the "**Inspection Period**"]. If Customer accepted the documentation associated with the Goods before the Goods were shipped, and if the delivered documentation remains substantially unchanged from the accepted documentation, then Customer may not reject (nor revoke acceptance of) the Goods on the basis of the documentation.
- B. Notwithstanding any other provision, Notice of Rejection shall be delivered to Company using the methods shown in the Notice section **XVII**.
- C. If Goods are rejected, then Customer must request a Returned Merchandise Authorization (RMA) from Company within the Inspection Period, or else Customer waives any rejection rights and the Goods are considered to be accepted.
- D. Goods may not be returned to Company under any circumstances without Company's written permission, which is only issued through an RMA. In the event Customer requests an RMA and Seller issues an RMA, Customer agrees to pay an RMA restocking fee of 25% of the sales price as well as any associated logistic fees.
- E. Credit, refunds, or replacement will only be issued upon final acceptance and receipt of the RMA.
- F. If Goods are returned, then Goods shall be returned at the Customer's expense and risk, and Customer shall promptly reimburse Company for any such expenses paid by Company. Goods shall be returned to the Company facility in Winooski, Vermont.
- G. Returned Goods must be received by Company within 15 calendar days from the issuance date of the RMA with all original documentation. The RMA number provided must be clearly marked on the packaging which should be sufficient to protect the part from any handling or in-transit damage. Risk shall pass to Company when the Goods are received at the Company facility in Winooski, Vermont. Failure to return the Returned Goods within this period shall mean that the Customer has waived any rejection rights and the Goods shall be considered to be accepted.
- H. Returned Goods from (directly or indirectly) an end-user (maintenance facilities and/or operators) must be accompanied with a statement of non-use, certifying that the part was not used and/or installed.
- I. Where Goods are delivered to Customer (in any condition) and subsequently sent to the shop for evaluation, the payment shall be made by the Customer on the due date defined within the Company Invoice, regardless of the time required for repair evaluation and/or repair fee determination.
- J. Goods are considered irrevocably accepted by Customer if they are (i) affirmatively accepted by Customer in writing or (ii) used by any person in a manner inconsistent with ownership by anyone other than Customer, or (iii) transferred by Customer to any third party, or (iv) not rejected within the Inspection Period [**Accepted**].

### X. Assignment and Subcontracting

- A. Customer may not assign any of its rights or delegate any of its obligations under the Company Exchange Transaction without Company's prior written consent. Company may, at its option, void any attempted assignment or delegation undertaken without Company's prior written consent.
- B. Customer may not subcontract any of its rights or obligations under the Purchase Order without Company's prior written consent.

- C. To the extent allowed by applicable law, no person who is not a party to a Purchase Order or Company Exchange Transaction shall be entitled to enforce or take the benefit of any of its terms whether as a result of applicable legislation, custom or otherwise.

**XI. Term and Termination**

- A. Each Purchase Order forms a separate contract and remains in effect with respect to that transaction until either the Purchase Order is terminated in accordance with this section or the Company Exchange Transaction is fully completed.
- B. Before the Goods are delivered and accepted by Customer, Company may terminate any previously accepted Purchase Order, if available data suggests a reasonable suspicion of non-compliance with any US law or regulation, upon written Notice to Customer. Company shall have no further obligation in connection with any terminated Purchase Order.
- C. The Customer may not terminate a Purchase Order (nor the contract that it forms) unless Company has provided written consent to Customer for such termination. If Customer terminates a Purchase Order or a contract that is subject to this Agreement, then Customer shall pay to Company a cancellation fee equal to 10% of the value of the cancelled Purchase Order or contract. Company shall have no further obligation in connection with a terminated Purchase Order or contract.
- D. Any obligations or duties which, by their nature, extend beyond the expiration or termination of the Company Exchange Transaction shall survive the expiration or termination of the Company Exchange Transaction.

**XII. Confidential Information and Publicity**

- A. If Company and Customer have entered into an NDA which covers disclosure of confidential information under the Company Exchange Transaction, and if the term of the NDA expires before the expiration or termination of any Company Exchange Transaction, then the term of the NDA shall be automatically extended to match the term of the Company Exchange Transaction, with respect only to the matters related to the Company Exchange Transaction.
- B. The Company and Customer shall treat the terms, conditions, and existence of each Company Exchange Transaction as Confidential Information belonging to Company.
- C. Customer shall obtain Company's written consent prior to any publication, presentation, public announcement, or press release concerning its relationship with Company.

**XIII. Indemnification**

- A. As used in this section XIII, these capitalized terms have these meanings:
  - a. a "Claim" is any claim, demand, loss, damage, liability, cost, or expense (including attorneys' fees and other professional fees and costs as incurred);
  - b. the "Affiliated Entities" of a Business are (i) each entity that directly or indirectly, through one or more intermediaries, owns more than 50% of the outstanding voting securities of the Business [parent organizations], (ii) each entity that directly or indirectly through one or more intermediaries, is Controlled by the Business [child organizations], and (iii) each entity that directly or indirectly through one or more intermediaries, is Controlled by the same entity as the Business [sister organizations];
  - c. "Controlled" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract interest, or otherwise.
- B. Customer shall defend, indemnify, and hold Company harmless from and against any and all Claims as incurred, arising out of or in connection with any (i) act or omission of Customer (including its Subcontractors) in the performance or fulfillment of the Company Exchange Transaction; (ii) any infringement of a third party's Intellectual Property Rights or any other rights, (iii) any negligent or willful acts or omissions of Customer which results in personal injury (including death) or damage to tangible property, (iv) installation or use by a third party of



## Stratton Aviation LLC

---

the Goods procured under the Company Exchange Transaction, (v) Customer's non-compliance with U.S. law and/or regulation, or (vi) failure to perform as expected on the part of the Good(s) procured under the Company Exchange Transaction. For purposes of this paragraph only, the term "**Company**" also includes the employees, officers, directors, agents, of Company and of each of Company's Affiliated Entities.

- C. Company will provide the Customer with prompt written Notice of the Claim and shall permit Customer to control the defense, settlement, adjustment, or compromise of any Claim, subject to the terms and limitations of this paragraph. Company may employ counsel at its own expense to assist it with respect to any Claim. Customer will have no authority to settle, adjust, or compromise any Claim on the Company's behalf, except where the settlement, adjustment, or compromise has been accepted, in writing, by Company.
- D. Nothing in this section shall limit any other remedy for the Company and Customer.

### XIV. Liability

- A. NOTWITHSTANDING ANYTHING ELSE IN THE PURCHASE ORDER OR OTHERWISE, COMPANY SHALL NOT BE LIABLE TO CUSTOMER WITH RESPECT TO THE SUBJECT MATTER OF THE COMPANY EXCHANGE TRANSACTION UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS IN THE AMOUNT CUSTOMER PAID TO COMPANY UNDER THE SALES TRANSACTION.
- B. IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS ARISING OUT OF, OR IN CONNECTION WITH, THE COMPANY EXCHANGE TRANSACTION, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
- C. THE LIMITATIONS OF THIS LIABILITY SECTION WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OR ANY LIMITED REMEDY PROVIDED HEREIN.

### XV. Company Warranty, Breach and Remedies.

- A. Company warrants that Goods provided by Company to Customer as part of a Company Exchange Transaction shall:
  - 1. Conform to the description of the Goods in the Packing Slip; and
  - 2. Be made available according to the shipping terms (*Ex Works*);These terms may be modified by a written agreement between the Company and Customer that has been signed by Company's CEO, in which case the modified terms shall represent the scope of this warranty.
- B. **COMPANY AND CUSTOMER ACKNOWLEDGE THAT THIS WARRANTY ENTIRELY REPLACES ALL OTHER COMPANY WARRANTIES, INCLUDING IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, AND THAT NO SUCH IMPLIED WARRANTIES NOR ANY OTHER WARRANTIES APPLY TO COMPANY'S OBLIGATIONS UNDER THIS TRANSACTION.**
- C. Unless otherwise specified, in subsection , below, the warranty period begins upon the earlier of (1) when the Goods are shipped by Company to the Customer, or (2) when title to the Goods passes to the Customer, or (3) if title to the Goods fails to pass to Customer, then, when the Goods are made available by Company for shipment to the destination stated in the Purchase Order.
- D. Unless specified in writing by Company, the warranty period is determined by the Condition of the Goods provided to Customer. The warranty period for Goods are as follows:
  - 1. "New Surplus" is 30 days;
  - 2. "Factory New" is 1 year beginning from the date of the Manufacturer's C of C or Airworthiness Certificate;
  - 3. "Inspected and/or Tested" is 30 days beginning from the date of the signature of the overhaul approval for return to service (or airworthiness release);
  - 4. "Repaired" is 30 days beginning from the date of the signature of the overhaul approval for return to service (or airworthiness release);

## **Stratton Aviation LLC**

---

5. "Overhauled" is 1 year beginning from the date of the signature of the overhaul approval for return to service (or airworthiness release);
  6. "As Removed" Parts each are provided "As-Is" and have No Warranty.
- E. In the event that the Goods breach this warranty, and the breach was not discerned during the Inspection Period, Customer may make a warranty claim by notifying Company in writing of the breach, with a description of the reason for return, nature of the breach, and of all facts relevant to the claim of breach ("Warranty Claim"). Such Warranty Claim shall be treated as an RMA request, and the RMA rules of section IX, subsections D-H, shall apply to this RMA. If the Warranty Claim appears to be facially valid, then Company will issue an RMA to Customer and Customer may return the Goods to Company at Customer's expense. Company shall then assess the parts based on the written Warranty Claim. If the assessment shows that the Warranty Claim is valid, then Company shall refund to Customer the full value paid for the non-conforming Goods, including shipping costs.
- F. Where Goods are returned for warranty consideration and the shop determines there is No Fault Found (NFF), the Customer is responsible for all logistic fees to and from the shop back to the Customer. The Customer will be billed for all fees associated with such shop determinations.

### **XVI. Documentation of Goods**

- A. For each Article subject to a Company Sales Transaction, Company shall provide documentation consistent with the requirements of FAA Advisory Circular 00-56B, appendix one.
- B. For each Good that is not an Article, and is subject to a Company Sales Transaction, Company shall provide Company sales documentation describing the identity and condition of the Good.
- C. If Company provides Goods that do not meet the documentation requirements of this section XVI, then Customer must give Notice to Company of this failure and such Notice must reach Company within 10 days of Delivery of the Goods. Upon such Notice, at Company's discretion, Company may (1) cure the issue by providing acceptable documentation within ten days of receipt of such Notice, (2) terminate the transaction by demanding the return of the Goods and issuing to Customer a refund of any sums already paid for that transaction, or (3) reject the claim (e.g. if Company feels the documentation met the requirement). An effort to cure is not an admission that the earlier documentation was inadequate. This clause shall be the Customer's sole remedy for Customer's documentation-related claims.
- D. If it is agreed upon in writing by Company and Customer that a non-conforming Good is to be scrapped off-site and not returned to Company, then Customer shall provide to Company a Scrap Certificate within (15) calendar days from the issuance date of the RMA. The Scrap Certificate shall, at minimum, include the Part Number, Serial Number (as applicable), description and date the part was scrapped, and a picture of the scrapped Good.

### **XVII. Notice.**

- A. Where Notice is required, Notice shall be delivered in writing and may be delivered using hand delivery, email, postal mail, or overnight delivery service, or such other method as may be explicitly allowed in this section XVII.
- B. Notice to Company shall be delivered to the Company postal address or Company email address shown in the letterhead of the Company Exchange Quote or other offer.
- C. Notice to Customer may be delivered to the same address or email address shown in the Company Exchange Agreement. Notice to Customer may also be delivered to the location to which Goods were sent for the benefit of Customer. Notice to Customer may also be delivered to the Customer's known physical office.

**XVIII. Timing.** Failure by a Customer to meet a deadline specified in any Company Exchange Transaction document or other agreement with Company will be considered a material breach of these Terms and Conditions.

### **XIX. Compliance With All Laws.**

## Stratton Aviation LLC

---

- A. 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 defend, hold harmless, and indemnify Company from any Claims that are caused by or attributed to non-compliance with this guarantee. Customer agrees to promptly reimburse Company for any fees, expenses, fines, penalties or other costs (including attorneys' fees, reasonably foreseeable consequential and incidental damages, and the reasonable economic effect of any injunctive relief) that are caused by or attributed to non-compliance with this guarantee.
- B. If an export license, government permit, government jurisdiction determination, or other government action (hereinafter "License") might reasonably be required to complete a transaction subject to these terms and conditions, then Company may pursue such License and Customer shall reimburse Company for all costs associated with such a License (including attorneys' fees). If Company applies in good faith for such a License then Customer shall remain liable for reimbursement even if the government responds that such a License is not necessary or if the government rejects the Application for any reason. Such reimbursement shall occur within three (3) days of Customer's receipt of any invoice seeking reimbursement, and such reimbursement shall otherwise be subject to the standards of section V of these terms and conditions.
- C. If any law, (including a change in the law, or a need to obtain a License) interferes with a transaction subject to these terms and conditions, then the obligations of Company shall be tolled until the interference has been resolved in such a way as to permit compliance with all applicable laws and regulations.

### XX. Jurisdiction.

- A. All Domestic Transactions made by Company are made in Vermont and shall be interpreted under the laws of Vermont, not including the state's conflict-of-laws provisions. Both parties agree that any suit brought in relation to a Domestic Transactions, or to enforce any clause of such a Domestic Transaction, shall be brought in a trial court in Chittenden County, Vermont. Both parties agree to be subject to the personal jurisdiction and venue of such a court.
- B. All International Transactions made by Company are made in Washington, DC, and shall be interpreted under the laws of Washington, DC, not including the District's conflict-of-laws provisions. Both parties agree that any suit brought in relation to an International Transaction, or to enforce any clause of such an International Transaction, shall be brought in a trial court in Washington, DC, USA. Both parties agree to be subject to the personal jurisdiction and venue of such a court.

**XXI. Costs and Attorneys' Fees.** In the event that Company needs to hire an agent or attorney or make use of an arbitrator, mediator, court system or other legal mechanism in order to secure a right 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.

**XXII. Severability.** If any part, term or provision of these Terms and Conditions is held to be illegal, in conflict with any law or otherwise invalid, the remaining portion or portions shall be considered severable and not be affected by such determination, and the rights and obligations of the parties shall be construed and enforced as if the Terms and Conditions did not contain the particular part, term or provisions held to be illegal or invalid.

**XXIII. Additional Company Liability Limits.** Notwithstanding any other provision of these Terms and Conditions or any agreement or document to the contrary, the following terms shall always apply to Company Exchange Transactions:

- A. Company will not be liable for any penalty fees nor delivery delay fees.
- B. Company will not be liable for penalties nor damages when its performance is delayed or prevented by strike, fire, riot, war, rebellion, insurrection, acts of God, failure or delay in transportation by third parties, governmental regulations, or other causes beyond its control, including any occurrence that would be described as a force majeure. In the event of such a delay, performance shall be tolled until performance can reasonably be accomplished, unless performance becomes impossible or impracticable for Company in which case the portion of the Sales Transaction that is impossible or impracticable shall be cancelled with no further liability.