



EXCHANGE AGREEMENT- HAWK AVIATION LTD / HAWK AVIATION LA-LLC / HAWK AVIATION EUROPE LTD ("Agreement")

Please sign all 3 pages & return by email: sales@hawkaviation.com

As of the date written above and subject to the terms and conditions set below, **Hawk Aviation companies stated above ("Hawk")** agrees to exchange with Customer (the "**Customer**") the certified part referenced below ("**Exchange Unit**" or "**Original Exchange Unit**") in return for Customer's part ("**Core**") and exchange fees plus all recertification costs and surcharges incurred by Hawk as of the date written above, as set below.

BY ITS AUTHORIZED SIGNATURE BELOW, CUSTOMER CONFIRMS AND AGREES TO THE EXCHANGE TERM AS SET HEREIN:

Exchange Unit Ref & Definitions as used in this Agreement		
The Customer: SPECIFIC CUSTOMER	Exchange Unit P/N: SPECIFIC PART NUMBER	Customer Ref Number: SPECIFIC PO/EO NUMBER
Contact: JOHN DOE	Description: SPECIFIC DESCRIPTION	Outright Value: \$ PER EO/PO
Email: JOHN.DOE@CUSTOMER.COM	S/N: SPECIFIC SERIAL NUMBER	Exchange Fee: \$ PER EO/PO + Costs
Tel: XXX-XXX-XXXX	Condition: NE/OH/SV SB/Status: Latest	Authorized Signer: _____
Enter here if any special approval granted by Hawk to Customer: <u>NONE</u>		

TERMS AND CONDITIONS

- The Customer hereby agrees to pay in full the Exchange Fee plus all additional Costs incurred by Hawk with regards to the exchange transaction. The additional costs ("**Core Charges**") will include the actual total and complete costs and fees incurred by Hawk in connection with and as a consequence of certifying the airworthiness of the Core by an airworthiness authorization or authorized repair facility ("**Authorized Repair Facility**") in accordance with the aviation regulations ("**Recertification**"), and return the Core to a condition at least equal to the condition of the Exchange Unit. The additional costs will include all final overhaul, repair, evaluation, test or flat replacement fees set by the Authorized Repair Facility, evaluation fees result in a determination that the Core is Beyond Economical Repair ("**BER**"), scrap fees, all transportation costs, customs fees, applicable taxes, insurance fees, charge-backs, collection fees and any other cost related to the return of the Core or the Exchange Unit to Hawk in the same condition as supplied. The terms set in this clause will apply, regardless of whether Customer returns the Exchange Unit used or unused. Hawk will charge additional handling fee of ten percent on top of the Core Charges, minimum of \$150. Each Core Charges will include additional \$180 Entry Fee for Core imported to the US/UK.
- This Agreement does not provide the Customer the option to purchase the Exchange Unit offered by Hawk under the terms of this Agreement or to convert this transaction to Outright sale; Hawk at its sole discretion may accept or reject Customer's request to charge the Outright Value in addition to any Exchange Fee or Additional Exchange Fee previously invoiced and/or to relieve the Customer from the obligations set in this Agreement such as delivering a Core and a sole discretion to waiving any Exchange fee or the accrual of any additional fees.
- This agreement cannot be changed or altered by the Customer without specific prior written approval from Hawk. Any alterations or changes will not apply without written approval and the original wording and terms of this agreement will prevail.
- Core must be same OEM P/N as Exchange Unit and will be recertified to at least same condition as the Exchange Unit (unless a mandatory repair upgrade is required due to the poor condition of the unit or due to a regulatory requirement). For avoidance of doubt, Core Recertification shall include all latest SB's and Mods. In case Exchange Unit is in new condition, Core will be certified to overhauled condition. Hawk has the sole discretion to recertify the Core at any FAA/EASA/CAAC Authorized Repair Facility.
- Life/cycle limited Core shall have the same times/cycles (or less) as the Original Exchange Unit. In case a life/cycle limited Core returned with shorter lifespan than the Original Exchange Unit, Hawk will have the right (at its sole discretion) to either (i) reject the Core; or (ii) charge Customer an additional prorate charges to compensate for the Core value depreciation. Slide cores with inflatable/reservoir date of manufacture (DOM) older than Exchange Unit DOM, will be charged with prorate charges based on a 1/15 of the Outright Value, multiplied by each year's difference (or part thereof) from the DOM the Original Exchange Unit.
- The Exchange Unit and/or Outright Value sales base is Ex Works Hawk's warehouse (Incoterms 2010). Customer agrees to bear all shipping risks, expenses and insurance liabilities related to this transaction, and return the Core as instructed by Hawk, under DDP basis. In the event that the Exchange Unit or the Core are lost, stolen, damaged, or destroyed after leaving Hawk facility, while in Customer premises or during transportation to Hawk, the Customer shall be obligated to pay all amounts that would be due and payable to Hawk if no such loss, theft, damage, or destruction occurred. In the event that the lost, stolen, damaged, or destroyed Exchange Unit or Core was shipped as part of the Agreement, the Customer shall be responsible for paying the Outright Value for the Exchange Unit, and any Exchange Fee or Additional Exchange Fee previously paid may be credited to the Customer's account at Hawk's sole discretion. In all events, the Customer is expected to insure The Exchanged Unit or the Core against loss. If the Customer fails to insure the Exchange Unit or the Core against loss, then the Customer does so at its own risk.
- Customer agrees to pay in full any and all charges related to Core's return to Hawk following the Recertification completion. Notwithstanding any other charges set in this Agreement, Customer also agrees to pay in full the Exchange Unit Outright Value in the event of (i) Core loss and/or damage while under Customer's liability; (ii) Core deemed BER and/or non-repairable by an authorized shop; For the avoidance of doubt, in case Exchange Unit Outright Value are charged, previous Exchange Fee will not be waived.
- The Customer declares hereby, that any Core returned to Hawk was removed from an operational aircraft in adjacent to this Agreement's date, and it has not been (i) sent to a repair shop following its removal; or (ii) declared BER or scrapped, and is returned in good faith as a repairable Core. Hawk shall have sole discretion to reject any Core that does not comply with the above mentioned terms. Hawk reserves the right to reject Core that does not meet one or more of the conditions specified, and the Customer acknowledge that Additional Exchange Fee will apply in accordance to the terms of this agreement for the period until an acceptable Core is delivered by the customer.
- Core returned to Hawk must be same P/N, same dash number and same modification status as the Original Exchange Unit. Core must be properly packed, undamaged, with no missing parts or components. Core must be OEM original unit, fully traceable to FAA/EASA/CAAC regulated source with no incident related history. Core that does not comply with the terms herein shall be rejected and the terms of this Agreement shall apply.
- The Exchange Fee shall be charged in periods of 21 days commencing from the date in which Exchange Unit became available to Customer and ending once Core was received at Hawk's facilities (the first period shall be the "**Exchange Period**" and any other following period shall be the "**Additional Exchange Period**"). For the avoidance of doubt, Core shall be accounted as returned to Hawk solely once arrived at its facilities ("**Core Return Date**"). Customer hereby agrees and accepts that no partial Exchange Fee shall apply. Customer expressly agrees to pay both the exchange fee and an additional Exchange Fee equal to the value of the Exchange Fee ("**Additional Exchange Fee**") for each additional chargeable exchange period or part, if the Core is not so delivered to Hawk before the end of Exchange period. Failure by a Customer to meet any of the deadlines specified in this Agreement shall be considered as a breach of this Agreement as time is considered of the essence. For the avoidance of doubt, it is clarify that in case the customer will be charged the Outright Value in accordance to this agreement, the Exchange fee and any Additional Exchange Fee will not be credited and will remain due in additional to the billed Outright Value. Following 2 (two) Additional Exchange Periods, Hawk has its sole discretion to charge and bill the Customer for the Outright Value, and the Customer undertakes herein, to pay Hawk the Exchange Unit Outright Value, in addition to the previously billed Exchange Fee, Additional Exchange Fees and all other relevant costs incurred by Hawk in support of the Exchange transaction. For the avoidance of doubt, in any case, the Exchange Fee or the Additional Exchange Fees will not be credited in such case and will remain due in additional to the billed Outright Value.
- Customer agrees to pay Hawk all amounts as they become due and payable in accordance with the terms of the Agreement. Core charged will be due upon recipient. In the event that (a) the Core unit is not in full compliance with the above and below mentioned requirements or (b) the Core unit is deemed BER by an a Authorized Repair Facility or (c) the Core unit found non-repairable by an Authorized Repair Facility or (d) the estimated cost of repair, overhauled or Recertification charges of the Core exceeds 60% of the Outright Value or (e) the completion of the repair of the Core is delayed beyond a reasonable period of 60 calendar days due to unavailability of parts or for reason that is not attributable to Hawk; Hawk will have the right to reject the Core and (a) continue to charge Additional Exchange Fees for each additional Exchange Period, counting from the date the Exchange Unit became available to Customer or (b) charge the Customer the full Outright Value in addition to the Exchange Fee, the Additional Exchange Fee (if applicable), and any other associated costs incurred by Hawk (i.e. evaluation fee, freight charges and other charges specified in Clause 1); In such case described in the preceding clause, Hawk will allow the Customer to send replacement Core ("**Replacement Core**") within 5 working days from the day the Customer was informed of the above. The date of receipt of the Replacement Core will be the actual Core Return Date and Additional Exchange Fee will be applicable accordingly. For the avoidance of doubt, in any case, the Exchange Fee or the Additional Exchange Fee will not be credited.

12. The Core must be delivered to Hawk with the full following acceptable documentation (“**Acceptable Documentation**”) showing the P/N & S/N as detailed hereunder. A Core returned without the 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 be billed the Outright Value:
- A packing slip, invoice, or other commercial document typically used in the aerospace industry from a regulated source and every entity involved in the Exchange chain thereafter indicating that the Core was released from that regulated source, to evidence full trace on material flow from a regulated source back to Hawk.
 - Unserviceable/Removal tag or airline official failure report, indicating the reason for removal of the Core from the aircraft.
 - A Non Incident Traceability form (“**ATA 106 form**”) issued by a regulated source and every entity involved in the Exchange chain thereafter that includes:
 - Fully identified and documented source for the Core, back to a U.S. FAA Part 121, 125, 135, 129, or 145 certificated carrier or the back to the Original Equipment Manufacturer (‘OEM’);
 - Non-incident statement from a certified source for the Core stating that the unit has not been subjected to any unusual stress, heat, environmental conditions or subject to an accident that could adversely affect the airworthiness of the Core and that the Core was not obtained from any governmental or 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.
 - Official regulated records issued by the last End-User stating the time and cycles and time since new and since overhaul, for life-limited parts (‘LLP’). The Core must have similar cycles and times records to the Exchange Unit, unless agreed otherwise by Hawk in writing. Core is subject to pro-rate charges as agreed herein.
 - Full time and cycles records and traceability documentation back to the OEM from the day of manufacture (‘Back to Birth’) must be supplied where applicable.
- Notwithstanding, Hawk reserves the right to reject any Core not fully complying with this Agreement’s terms and conditions and not supplied with the Acceptable Documentation.
13. Customer certified Core is acceptable only with Hawk’s prior written consent (“**Customer Certified Core**”). If the Customer returns to Hawk a certified Core without Hawk’s prior consent, the Customer Certified Core will be subject to Hawk’s acceptance and additional Recertification or test charges may apply. Customer agrees that the same charges will apply in case of receiving a Core which is missing the original authorized release certificate (“**ARC**”) and/or teardown report by Authorized Repair Facility. Subject to Hawk prior approval, the Customer Certified Core must be recently certified by the same Authorized Repair Facility, in the same condition as the Exchange Unit. Customer will grant his unconditional warranty from the Core Return Date for a period of 6 months for serviceable Core or 1 year for overhauled or new Core. If such Core will fail within the warranty period thereafter, Customer will fully compensate Hawk for any costs associated with such failure regardless of a related or unrelated to the actual cause of failure;
14. This Exchange Agreement includes a standard RMA (“**Returned Material Authorization**”) which includes the complete return instructions for the Core shipping back to Hawk (**Appendix A**). The Customer must contact Hawk prior to returning the Core to Hawk premises in order to confirm the final ship to address as Hawk has the right to change the return to address from time to time. Customer agrees to pay and cover for all costs incurred by Hawk in cases of a shipping error or mistake made by Customer or its shipping agents, including errors in shipping destination or method or costs related to receiving of a Core that is not fully complying with the requirement set herein. For the avoidance of doubt, Core shall be accounted as returned to Hawk solely once arrived at its facilities and is in Hawk’s possession.
15. In case the Customer request to cancel this Agreement or to return an unused Exchange Unit in its original condition (“**Unused Exchange Unit**”), a prior written consent and return RMA must be provided by Hawk at its sole discretion. Following such a prior consent, an Unused Exchange Unit must be returned to Hawk for credit within 5 (five) calendar days from the date in which the Exchange Unit became available for the Customer, in unused and airworthy condition, with original ARC and documentation accompanying the Exchange Unit when release to Customer by Hawk. Customer must include with the Unused Exchange Unit a non-usage formal written statement, signed by an official officer of on behalf of the returning Customer and any other entity which had the Unused Exchange Unit on their possession, certifying that the Unused Exchange Unit has not been used, installed, and that no attempt has been made to install it, since its receipt by the Customer and other entities. Customer acknowledges that for the purpose of this clause, the Un-Used Exchange Unit will be considered as returned to Hawk only once received at Hawk facilities. Hawk acceptance to receive an Un-Used Exchange Unit in accordance with this clause will be subject to a restocking charge of not less than 25% of the Exchange Fee, minimum of \$250; Regardless of the agreed restocking charges set herein, Customer undertake to bear all relevant costs incurred by Hawk in case of cancellation or return of the un-used Exchange Unit for credit. For Unused Exchange Unit that does not meet one or more of the conditions specified herein, Customer shall not be entitled to a refund or credit, the terms of this Agreement will apply and the Exchange Fee will remain due and payable.
16. In any case, Hawk reserves the right to test, on Customer’s account, any returned Exchange Unit at an Authorized Repair Facility for evaluation, even if returned un-used and fully documented, to insure the airworthiness of the Exchange Unit. Returned un-used Exchange Unit must be accompanied with a non-usage formal statement signed by an official officer of the Customer or the end-user who received the Exchange Unit.
17. This agreement is delivered to customer upon the placing of the customer’s exchange order. Customer’s failure to return this agreement, duly signed, constitutes full acceptance of the conditions as set in this agreement, in full, by the Customer, and the Customers waves any claim with regards to the validity of this agreement. By accepting delivery of the Exchange Unit and not making any warranty claim on loss, damage or any other deficiency, within less than 7 days from date of shipping, Customer agrees to accept and comply with the terms of this agreement as if it was fully signed by the Customer. Hawk’s records, regarding faxing or emailing of this agreement constitutes enough evidence that the customer received this agreement and agreed to its terms.
18. In case of market shortage for the Core’s repair parts (over 90 days delivery from date the Exchange Unit became available to the Customer) or obsoleted spares, Hawk will have the privilege to charge the Customer the full Outright Sale and Core will be rejected accordingly.
19. Warranty terms and definitions are as per standard warranty of the actual Authorized Repair Facility that last certified the Exchanged Unit, unless otherwise agreed between Hawk and the Customer. Hawk will not be responsible to supply a warranty replacement Exchange Unit. Warranty shall be granted only subject to warranty approval of the failed unit by an Authorized Repair Facility. The choice to issue a warranty RMA shall be at Hawk’s sole discretion. The Customer shall inspect the Exchange Unit delivered to Customer within five business days of receipt and must notify Hawk in writing of any alleged discrepancies found during the inspection. No claims of discrepancies will be accepted beyond the five business days period specified above. Unless written pre-approval is authorized by Hawk, all warranties, expressed or implied, shall immediately cease if the Exchanged Unit are compromised or tampered with by the Customer, an unauthorized repair facility, or other facility opening the Exchanged Unit or tampering with or removing any protective warranty label or sticker from the Exchanged Unit. The Customer here by undertakes to accept any findings, investigation and conclusion made by an authorized repair shop, related to any dispute regarding the functionality and/or the condition of the Original Exchange Unit and the Core unit. Hawk will have the sole discretion to approve a quote for the repair/overhauled Core by authorized repair shop, and the Customer’s approval will not be required.
20. In case of unusual Core repair and/or Recertification charges, Hawk may notify the Customer of such outstanding charges. The Customer will be entitled to provide with a Replacement Core within 5 calendar days from day of notice. In such case, any solution other than cost approval or providence of a Replacement Core by the Customer will be subject to the continuation of the Exchange Period and Additional Exchange Fees will apply. Should a satisfactory Customer’s respond not be received within 5 calendar days, Hawk will have the sole discretion to approve the high repair costs and complete the Recertification.
21. Unless agreed otherwise, this Agreement shall be governed in accordance with the laws of the County or State of Hawk’s residence.
22. Customer warrants that it is solvent and has no knowledge of any impending insolvency proceedings against it at the time of the transaction. Until such time as all fees and costs identified in the Agreement are fully paid by the Customer, the parties agree that Hawk retains a security interest in the Exchange Unit and the Core and both will be collateral for all fees and costs due from the Customer.
23. This Agreement is binding and no amendments, documents, instructions or additions to the Agreement will be accepted unless made specifically with reference to alter this agreement and are in writing and signed by both Hawk and the Customer, and only a written and signed amendment will govern.
24. Customer agrees to defend, hold harmless, and indemnify Hawk, its affiliated companies, their directors, officers, employees and agents from and agency and all present liabilities, damages, losses, demands, fines, penalties and claims of any kind whatsoever, including all costs, expenses and reasonable attorneys’ fees incidental thereto, 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 Exchange the subject of the Agreement and its terms.
25. The officer signed on this agreement agrees that he/she is a duly authorized representative of the Customer.

sign your initials _____



- Appendix A -

Core Shipping Instructions

Returned Material Authorization (RMA) for Exchange Cores

To avoid unnecessary expenses, please carefully follow the shipping instructions below:

Method of shipment: Door to Door, Customs Cleared, DDP basis - All transportation and insurance risks on Shipper's / Customer's account.
All Duties, insurance fees and other fees paid by shipper / Customer (ship via FedEx/DHL/UPS or other carrier).

Ship to address for Core return: HAWK AVIATION LA LLC
975 SHOTGUN ROAD
SUNRISE, FL 33326 USA
ATTN: SHIPPING/RECEIVING DEPT.
TEL: 1-954-414-9898
FAX:1-954-414-8182

For further assistance, please reach Art, Tel: 1-954-414-9898 Email: hawkqa@hawkaviation.com
*** The Customer must contact Hawk prior to returning the Core to Hawk premises in order to confirm the final ship to address as Hawk has the right to change the return to address from time to time.

Attention: In case core unit will be shipped to any other address than the address mentioned above, customer will bear the costs of relocating of core unit

Documents required: Full trace to last operator must be provided:
- ATA106 certificate and Non Incident Statement from all related entities
- Packing Slip (Showing Hawk Exchange ref#) indicating the Core P/N and S/N;
- Statement showing that the unit is a US MADE RETURN GOOD, were applicable;
- Removal Tag;
- For Customer Certified Core verify to attach ORIGINAL ARC and ORIGINAL Authorized Repair Facility teardown report.
In case of more than one company involved in the exchange transaction, provide ATA106 and Packing slips from all entities involved

Notify Hawk: Email: sales@hawkaviation.com

Please notify hawk with AWB # and copies of shipping documents.
Please mention your PO No. and Hawk reference on every notification.

Authorized signer's name: _____ capacity: _____
Company name: SPECIFIC CUSTOMER

Signature: _____
Date: Feb. 22, 17