



JACAERO INDUSTRIES, LLC

STANDARD TERMS AND CONDITIONS OF SALE

APPLICABLE TO PURCHASE AND SALE OF COMMERCIAL AIRCRAFT PARTS

I. DEFINITIONS

“**Agreement**” means these Standard Terms and Conditions of Sale Applicable to Purchase and Sale of Commercial Aircraft Parts.

“**Business Day**” shall mean any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States of America.

“**Company**” shall mean and refer to Jacaero Industries, LLC, a California limited liability company.

“**Customer**” or “**Customers**” shall mean any person or entity purchasing Products (defined below) from the Company.

“**Facility**” shall mean the Company’s principal place of business located at 16057 E. Foothill Blvd., Irwindale, California 91702, United States of America.

“**Operations and Quality Department**” shall mean and refer to the department at the Company responsible for quality control and shipping and receiving of Products by the Company.

“**Parties**” shall mean and refer to the parties to a purchase transaction (i.e., the Company and a specific Customer or Customers) and this Agreement.

“**Product**” or “**Products**” shall mean and refer to commercial aircraft parts made commercially available for sale by the Company.

“**OEM**” shall mean original equipment manufacturer (as that term is customarily used in the commercial aircraft industry).

II. STANDARD TERMS AND CONDITIONS

A. General.

- a. The purchase contract between the Company and Customer shall consist of:
  - i. The Customer’s purchase order;
  - ii. The terms and conditions set forth in this Agreement; and
  - iii. Any express written agreement between the Company and a specific Customer that the



Company expressly and unequivocally states is incorporated by reference hereto.

- b. Acceptance of all purchase orders by the Company is subject to, conditioned on, and shall be governed exclusively by the provisions of this Agreement. No such additional, different, or inconsistent terms and conditions or prior agreements shall become a part of this Agreement between Customer and the Company.
  - c. The Customer's terms and conditions (even if referenced on the Customer's purchase order) do not become a part of this Agreement and are rejected by the Company. This Agreement prevails.
  - d. The Company reserves the right to expressly and unequivocally (a) waive the applicability of this Agreement on a case by case basis and/or (b) modify the terms and conditions herein, only by mutual express written agreement between the Company and a specific Customer.
  - e. In the case of a loan or exchange of a commercial aircraft part by the Company, additional terms and conditions shall apply.
- B. **Deemed Acknowledgement.** Customer's placement of a purchase order with the Company shall in all events constitute full acknowledgement of and assent to the terms and conditions in this Agreement.
- C. **Return & Exchange Policy.**
- a. **Defective or Incorrect Products.**
    - i. We are able to offer returns or exchanges on Products received by a Customer which were supplied incorrectly by the Company (i.e., the Product received or the condition of the Product received (due to no fault or negligence of the Customer) does not match the Product purchased pursuant to the purchase order sent by the Customer as acknowledged by the Company).
    - ii. Such Product or Products may be returned for an exchange or refund (as determined between the Company and the Customer in writing) as long as (a) the Customer provides the Company with prompt written notice of the discrepancy (electronic communications are acceptable) within five (5) days of receipt of the Product by Customer, including clear photo documentation of the same, and (b) the discrepancy is confirmed in writing by the Company Operations and Quality Department.
    - iii. In this instance, there is no additional shipping charge to the Customer. Re-shipping costs will be borne by the Company. Once the Company provides the Customer with return shipping details and the relevant shipping account number, the Customer must promptly send back the Product. We ask that the Customer use its best efforts to send back the Product within forty-eight (48) hours of receipt of shipping details from the Company. This is to ensure all returns and/or exchanges are handled timely and correctly.
    - iv. Once the Product is received back at the Company's Facility, the Company shall endeavor to work with the Customer to provide them with a credit.



- v. The general terms in section (c) applicable to all returns and exchanges below shall also apply.
- b. Returns at Customer's Election.
- i. On occasion, we are able to offer returns and exchanges on Products received by a Customer that the Customer elects not to retain by choice. Elective returns are handled on a case by case basis at the sole discretion of the Company.
  - ii. In situations of elective returns or exchanges, a Customer must request such return or exchange by providing the Company with prompt written notice of the same within five (5) days of receipt of the Product by the Customer.
  - iii. The Company will acknowledge whether or not it can offer a return or exchange in that particular case.
  - iv. A restocking fee in the amount of Twenty-Five Percent (25%) of the original purchase price of the Product shall apply. The Company also reserves the right to apply any additional return fees it determines are needed (in its sole discretion).
  - v. In the event the Company elects to charge additional fees beyond the Twenty-Five Percent (25%) restocking fee described above, the Company will communicate such fees to the Customer in advance. The Customer then has the right to promptly inform the Company within forty-eight (48) hours whether or not to proceed with the return or exchange.
  - vi. Should the Customer elect to proceed with such return or exchange, the Company will issue a Return Merchandise Authorization (RMA) Number to the Customer.
  - vii. The Customer is then responsible for all shipping charges to return the Product to the Company's Facility. The Customer must ship the Product to the Company on the next Business Day following receipt of an RMA from the Company.
  - viii. The general terms in section (c) applicable to all returns and exchanges below shall also apply.
- c. In General (Applicable to all Returns or Exchanges).
- i. All returns must be accompanied with a Return Merchandise Authorization (RMA) Number issued to the Customer by the Company.
  - ii. In all cases, returned Products shall be in the same condition as was originally shipped by the Company, complete with original packaging, labels, and original paperwork, including a copy of the original packing slip.
  - iii. All returned Products and/or Products sent back for exchange are subject to acceptance by the Company. Any costs required to return and bring the Product back to its condition as originally shipped to the Customer will be at Customer's expense.



**D. Cancellation Policies.**

- a. Orders over Five Hundred and 00/100 United States Dollars (\$500.00) which are not cancelled within twenty-four (24) hours in writing (acknowledged by the Company) will be processed a restocking fee in the amount of Twenty-Five Percent (25%) of the original purchase price of the Product.
- b. No cancellations will be allowed after Products have shipped, without prior Company written approval. The Company reserves the right to deny such cancellations at its sole discretion.
- c. Additional restocking terms and fees may apply with regard to select inventories. The Company salesperson will notify the Customer on a case by case basis by email if this is the case. For certain inventories identified as so, once a purchase order is placed, any cancellation after the purchase order is placed and acknowledged is subject to a Twenty-Percent (20%) restocking fee. However, if either the exact Product purchased or the documentation that was to be provided with the Product is no longer available due to no fault or negligence of the Customer, the Company will notify the Customer of the same and allow the Customer to cancel at no charge.

**E. Terms of Payment.**

- a. Payment is due in United States Dollars using the type of payment and within the amount of days specified on the Company's invoice to the Customer.
- b. Past due balances are subject to a late fee (equal to 1.5% of the outstanding balance accruing monthly once the outstanding balance is thirty (30) days past due) at the discretion of the Company's finance department.
- c. The finance department of the Company reserves the right to issue and revoke credit to a Customer for any reason at the Company's management's sole discretion.
- d. Any purchase transaction with a Customer with a past due balance will be placed on hold until payment is received in full by the Company.

**F. Warranties.**

- a. The Company does not offer a warranty on its Products. There is no implied warranty of merchantability or fitness for any particular use or purpose. Products sold by the Company are sold in as-is, where-as condition and the Company makes no representation or warranty express or implied concerning the Products sold to Customer by the Company.
- b. If reasonably feasible and applicable, the Company will endeavor to assign any warranty given by an over-hauler or as provided by the OEM of the Product purchased with the understanding and agreement that the disclaimer of warranty stated above shall still apply and that the Company shall not be liable in any case whatsoever for any warranty related claims.
- c. In certain instances the Company can offer a fit-on-fail warranty subject to certain conditions,



in which case this will be communicated to the Customer and will be subject to the understanding and agreement that the disclaimer of warranty stated above shall still apply and that the Company shall not be liable in any case whatsoever for any warranty related claims.

- d. ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, WHETHER WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR IMPLIED WARRANTY ARISING FROM PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE ARE EXCLUDED AND NOT APPLICABLE HERETO.
- G. **Hazardous Material.** The Company does not regularly engage in the sale of Hazardous Material. Should Products sold pursuant to a purchase transaction by the Company be classified as Hazardous Material by a freight carrier, the Company shall endeavor to identify such Product as such.

### III. **SHIPMENT OF PRODUCTS**

#### A. **Assumption of Liability by Customer.**

- a. The Customer shall pay for all shipping, insurance and customs fees associated with shipping a Product, and assumes responsibility for any lost shipments once the Product has left the Company's facility.
- b. The Customer is fully responsible in the event a country restricts a Product from being imported that was purchased from the Company. If a Customer does not pay the applicable customs fees, import duties or taxes, the Company cannot accept returns of denied shipments.
- c. The Company disclaims all responsibility for return fees associated with sending a denied product back to the Company's facility. A purchase transaction will not be refunded if a Customer does not pay all fees associated with return shipment in these instances.

#### B. **Costs and Duties.**

- a. All prices shown are in the United States Dollars and Ex-Works origin. Export shipments requiring special crating will be assessed \$2.50 per cubic foot crating charge.
- b. Import duties imposed by countries other than the United States are not included in prices quoted by the Company, unless specifically otherwise set forth in writing by the Company.
- c. Product prices do not include the cost of freight, which will be charged to Customer's account, or costs or charges for insurance or any production, local sales, use, transfer, transportation, excise, state, or other similar tax, tariffs, or customs duties.
- d. Customer will pay directly or be charged by the Company for all such costs and/or charges in addition to the price(s) of the Products supplied hereunder. Customer shall be obligated to pay such charges and costs on the same terms and conditions applicable to payment for the Product as detailed herein.

- C. **Deposits.** Customer may be required to pay to the Company a deposit in an amount specified when purchasing Products for which a pro-forma invoice provided by the Company for a particular purchase



transaction specifies a deposit amount (at Net). If a purchase transaction requires a deposit, the Customer will be notified in advance.

D. **Insurance.** All items are shipped Ex-Works origin. The Company does not insure shipments. As indicated above, Customer assumes all risk of loss and/or damage of any Products upon shipment by the Company from the Company's facility.

E. **Delivery.**

- a. Terms of delivery are Ex-Works origin.
- b. The Company shall not be liable for any delay in delivery, or non-performance in connection with a purchase transaction in which it would be inadvisable, commercially impracticable, illegal, or impossible for the Company to perform its duties due to events of force majeure (a "**Force Majeure Event**" or "**Force Majeure Events**"). Force Majeure Events include, but are not limited to, natural disasters, acts, laws, rules, or regulations of governmental authority, war, terrorism or threats of terrorism, civil disorder, labor strikes or disruptions, fire, floods, or other severe weather conditions, acts of god, government embargoes or any other government acts causing interference with performance, blockades, seizure or detention of assets, delays or refusals to grant export licenses or the suspension or revocation thereof, accidents, disease, quarantine or medical epidemics or outbreaks, delays or failures in delivery by carriers or suppliers, shortages of material, and any other causes beyond the Company's control.
- c. The Company will give a Customer timely notice should such a delay occur. The Company will endeavor to perform with minimum delay.
- d. The Company's time for delivery, or any other performance, shall be extended accordingly.
- e. Notwithstanding the foregoing, if the Company's performance is delayed for a period exceeding thirty (30) days from the date the Customer receives notice under this Section (E), the Customer will have the right, without any liability to the Company, to cancel its purchase order.
- f. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES ARISING FROM OR RELATING TO A DELAY OR FAILURE TO DELIVER A PRODUCT.

F. **Export Control Regulations.**

- a. U.S. Customs / ITAR / Export Regulation Compliance.
  - i. The applicable shipment is for the ultimate destination as shown on the Company invoice; diversion is contrary to United States Law.
  - ii. The Products and data covered by this Agreement may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401 et seq.), the Export Administration Regulations (EAR) promulgated thereunder (15 CFR 768 – 799), the U.S. Arms Export Control Act (22 USC 2778 et seq.), the International Traffic in Arms Regulations (ITAR) (22 CFR 120-128 and 130) and non-U.S. export laws and regulations, as the same may



be supplemented or amended.

- iii. The Parties acknowledge: (1) these U.S. statutes and regulations impose restrictions on the import from and export to countries outside the United States of America of certain categories or articles and data; (2) licenses from the U.S. Department of State and/or the U.S. Department of Commerce may be required before such articles and data can be exported; (3) these licenses may impose additional restrictions on use and further disclosure of such articles and data; and (4) the disclosure of such articles and data to foreign persons is subject to these statutes, regulations, license requirements, and restrictions regardless of whether the export occurs in the United States of America or abroad.
- iv. The Parties represent and warrant that no Products or data subject to this Agreement will be imported, exported, or re-exported contrary to these statutes and regulations and applicable non-U.S. import and export laws and regulations.
- v. Customer shall indemnify and hold the Company harmless from all claims, demands, damages, costs, fines, penalties, attorney's fees, and other expenses arising from Customer's failure to comply with the above-referenced laws and regulations and any import/export provision herein requiring such compliance.
- vi. By accepting shipment, Customer agrees to abide by all applicable import/export laws applying to any purchased Product from the Company. Customer will not use the Products or data received from the Company for any purpose connected with chemical, biological, or nuclear warfare and/or weapons or missiles capable of delivering such weapons nor will they be re-sold for such purpose.
- vii. Customer agrees and acknowledges that United States Law prohibits the sale, transfer, export, deemed export, or re-export or other participation in any transaction involving products with individuals or companies listed on the following U.S. Government lists: Denied Persons List, Unverified List, Entity List, Specially Designated Nationals List, Debarred List, and Nonproliferation Sanctions.

**G. Limitation of Remedies.**

- a. THE REMEDIES SET FORTH BELOW ARE EXCLUSIVE AND GIVEN IN PLACE OF ALL OTHER OBLIGATIONS, LIABILITIES, RIGHTS, CLAIMS OR REMEDIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY RIGHT OR REMEDIES IN CONTRACT, TORT, STRICT LIABILITY OR ARISING FROM THE COMPANY'S NEGLIGENCE, ACTUAL OR IMPUTED.
- b. THE COMPANY'S OBLIGATIONS AND CUSTOMER'S REMEDIES ARE LIMITED TO THE COMPANY'S CHOICE OF (a) REFUND, (b) REPAIR OR (c) REPLACEMENT ON AN EXCHANGE BASIS, AND SUBJECT TO PRORATION AND EXCLUDE LIABILITY FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL OR ANY OTHER DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LIABILITY OF CUSTOMER TO A THIRD-PARTY OR FOR ECONOMIC LOSS, REPLACEMENT COSTS, COST OF CAPITAL, LOST REVENUE, LOST PROFITS, OR LOSS OF USE OF OR DAMAGE



TO AN AIRCRAFT, ENGINE, COMPONENT OR OTHER PROPERTY.

#### IV. GENERAL CONTRACT TERMS

- A. **Ownership and Title.** Title is reserved. Ownership of goods does not pass to the Customer until the Customer makes payment in full for the Products purchased and such funds are received in full by the Company, notwithstanding any transfer of possession of Products from the Company to Customer.
- B. **Governing Law.** Customer and the Company expressly agree to exclude from this Agreement the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any amendment or successor thereto. Customer and the Company also expressly agree that any conflict of laws principles are not applicable hereto and are hereby waived. This Agreement, as well as all purchases related hereto, and the rights and liabilities of parties hereto, shall be construed under and shall be governed by, in all respects, in accordance with the laws of the State of California, United States of America.
- C. **Severability.** If any provision or part thereof of this Agreement is determined to be invalid in any jurisdiction, such provision or part thereof shall be deemed not to be part of this Agreement only as to such jurisdiction and the remainder of this Agreement shall be valid and binding as though such provision or part thereof was not included. To the extent permitted by law, each party to this Agreement waives any provision that any part of this Agreement is unenforceable.
- D. **Amendment.** This Agreement may only be amended in writing by a document signed by both parties expressly stating so.
- E. **Indemnification; Risk of Loss.** Customer shall indemnify, defend and hold harmless the Company, and its officers, subsidiaries, subcontractors, agents, directors, and assigns, if any, from and against, or with respect to, any claim, judgment, suit, action, liabilities or damages arising out of, or in connection with, the use, possession, or resale of the Product or Products purchased from the Company. Customer assumes all loss and liability in connection with the use, possession or resale of the Product(s) purchased from the Company.
- F. **Limitation of Liability.** Neither the Company, nor its officers, subsidiaries, subcontractors, agents, directors, and assigns, if any, shall in any circumstances be liable whether in contract, tort, or otherwise for any (a) consequential damages, (b) indirect loss or damage, or (c) loss of profits or of contracts, howsoever arising, and of whatsoever nature suffered (incurred directly or indirectly), by a Customer, and/or its officers, subsidiaries, subcontractors, agents, directors, and assigns, if any, in connection with a purchase transaction governed by this Agreement.
- G. **Non-Waiver by Company.** The failure by the Company to require performance of any provision of this Agreement shall not affect the Company's right to require performance of any provision of this Agreement thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or waiver of the provision itself.
- H. **Compliance with Law.** Customer agrees to comply with all applicable laws with regards to the Product(s) purchased from the Company. Customer shall not take any action in violation of any applicable legal requirement that could result in liability being imposed on the Company.

JACAERO INDUSTRIES, LLC (2020)

CORPORATE HEADQUARTERS: 16057 E Foothill Blvd., Irwindale, California 91702 / PH: 001-626-566-7700/ FX: 001-626-466-1182

EMAIL: [info@jacaero.com](mailto:info@jacaero.com) / WEBSITE: [www.jacaero.com](http://www.jacaero.com)





- I. **Assignment.** Customers may not assign any rights under this Agreement or any purchase order with the Company without the Company's prior written consent. Any purported assignment by Customer in violation of this Agreement is void.
  
- J. **Venue.** Any claim or dispute, whether in contract, tort, equity, or otherwise arising out of or relating to a purchase transaction governed by this Agreement must be resolved by a court located in Los Angeles County, California, except as explicitly otherwise agreed to in writing by the parties. Customer agrees to submit to the personal jurisdiction of the courts located within Los Angeles County, California for the purpose of litigating all such claims or disputes.
  
- K. **Survival.** All provisions of this Agreement that logically ought to survive termination of this Agreement shall survive.
  
- L. **Entire Agreement.** The terms and conditions set forth in this Agreement constitute the entire agreement between the Parties hereto with respect to the subject matter hereof.