



**AERO CONTROLS, INC.
ANNUAL EXCHANGE AGREEMENT**

CUSTOMER: _____

1. All invoices must be paid in accordance with credit terms and in full.
2. Customer core exchange units are to be returned to Aero Controls, Inc. within **15** days or date negotiated at time of sale. Units not returned within this allotted time will be subject to either an additional charge of 1% of the outright sales price per day (minimum daily charge will be no less than USD\$10.00 per day) OR a 2nd exchange fee (Aero Controls choice). All outstanding exchange cores are subject to invoicing at the full outright sales price. Exchange fees are non-refundable, even if converted to outright.
3. Customer exchange units are to be returned to Aero Controls, Inc. in good repairable condition. Inspection/teardown fees are normally charged to B.E.R. core units and will be in addition to outright sales price. Modification charges may be incurred at Aero Controls, Inc.'s option if the returned unit is not the same part number and/or service bulletin as originally shipped. These modification charges will be billed in conjunction with the applicable repair charges. Parts requiring Outside Labor rework/re-certification are subject to an appropriate handling fee.
4. Aero Controls will submit, in writing, cost evaluations for all customer exchange cores. Customer will have one (1) week to provide approval or a mutually agreed upon alternative. If no response has been received then repair will commence and be invoiced. If a core has been determined BER and there has been no response to the core cost estimate within 2 weeks, the sales transaction will be converted to outright and the BER core will be returned "as is" and an inspection fee will be invoiced. Parts quoted "Exchange Only" at time of transaction will be invoiced at factory new price plus mark-up, if exchange core units are not returned or determined BER.
5. **All customer core returned units must be accompanied by a completed Material Certification traceable to a certified source: either an FAA Repair Station or an Air Carrier and must contain a non-incident statement. Incident related equipment will not be acceptable as an exchange core. Third party customers must supply supporting documents.**
6. In order to correctly process customer account status, parts being returned to Aero Controls for credit, including sales returns and unused exchange cores, must be assigned a sales return (SR) authorization to ensure physical documentation and traceability of returning inventory. Exchange units returned for credit must be returned within 10 days of the date of sales unless prior authorization is given. All returns will be subject to a minimum restocking charge of \$250.00 or 20% of the outright price, whichever is greater. Original tags and teardowns must accompany the returned unit or the part will be re-certified at the customer's expense. A statement on your company letterhead or on the packing slip stating the returned part has not been installed and is being returned unused must accompany the returned unit to be considered for credit. Electronic units must still be in original, unopened packaging (see 7 below).
7. All exchange cores returned unused or with another overhaul tag will be subject to re-certification unless previously agreed upon in writing. Aero Controls reserves the right to re-certify all electronic units and any unit returned without an Aero Controls or OEM tag to like condition. Shelf life and traceability considerations still apply.
8. Original units returned without the original certification or in a used condition will be considered an exchange core and applicable terms and applicable re-certification and core exchange conditions will be invoiced.
9. All incurred shipping and customs charges will be billed as appropriate. The cost of returning any exchange unit to Aero Controls, including all custom and shipping charges will be the sole responsibility of the customer.
10. The failure by Aero Controls, Inc. to require performance by the Customer of any term, provision or condition contained in this Agreement shall in no way affect the right to require such performance at any time thereafter. The waiver by Aero Controls of a breach of any term, provision or condition shall not constitute a waiver of any subsequent breach of the same or any other term, provision or condition contained in this Agreement.
11. This annual exchange agreement is valid for a period of one year beginning on the date of signature entered below. During this year, it is binding for all exchange transactions conducted between Aero Controls, Inc. and the customer. By signing this agreement, the customer agrees that an individual exchange agreement is not required.

NAME: _____

APPROVED BY: AERO CONTROLS, INC. _____

SIGNATURE _____

BY: _____

Must be signed by Authorized Representative

Sales Manager

TITLE: _____

DATE: _____

DATE: _____