



EXCHANGE AGREEMENT

By and between East Air Corporation (hereinafter "EAC") and:
hereinafter the ("Customer")

Part Number:	_____	Serial Number:	_____
Customer P.O. #:	_____	Exchange Date:	_____
Exchange Fee:	_____	Outright / BER Price:	_____
Due Date:	_____	Outright Billing Date:	_____

Upon execution of this Agreement, the Customer will be charged the exchange fee indicated above. Other specific payment terms relating to this agreement will be indicated on EAC's invoice, along with the cost to re-certify the Customer's exchange core unit to Serviceable/Overhauled condition. These charges will be billed at a later date with payment due upon receipt of invoice, including all freight, packaging and handling charges which can amount up to 15% of the cost to recertify the core.

ADDITIONAL TERMS AND CONDITIONS:

1. The Customers exchange units are to be returned to EAC as removed from aircraft in good, repairable condition. Units must be accompanied by a signed removal tag, packing slip and material certification with non-incident statement from an approved regulated source (Regulated Airline, Maintenance Facility or OEM). Core units received with paperwork deemed unacceptable to EAC (in EAC's sole & absolute discretion) will be rejected and the Customer will not have satisfied their duty and obligations under this Agreement and will be subject to the late fees and other liabilities set forth herein. If satisfactory paperwork is not or cannot be supplied to EAC by the agreed Outright Billing Date the unit will be rejected and returned to the Customer and the Outright Price, original Exchange Fee and all applicable late charges will be due.
2. The Customer's exchange units are to be returned to EAC by the date indicated above. It is the sole responsibility of the Customer to return a core on time and EAC is not responsible for outgoing or incoming transit or customs delays. Units not returned by the Due Date will be subject to late fees set forth as 1% of the Outright Price per day or an additional exchange fee, whichever is greater. Units not returned by the Outright Billing Date will be subject to invoice at the full Outright Sale Price, plus the original Exchange Fee and all late charges due.
3. Once a unit leaves EAC's facility, this agreement is in effect in its entirety. Cancellations and/or original units returned unused are subject to the full Exchange Fee, late fees and re-certification, if required. As set forth in this Agreement, unused returned units must be accompanied by all original paperwork supplied by EAC or be subject to re-certification charges or Outright Billing. Furthermore, a signed certification is required from the end user's quality control representative stating the unit was not used or installed in any way.
4. EAC will determine what repair shop will be used to perform the repair or overhaul work required. EAC, in its sole discretion, will approve or reject repair or overhaul estimates from the repair facility. EAC will return the core unit to the condition of the unit provided. EAC will only provide its final invoice, plus a copy of either a shop evaluation, estimate or teardown report to the Customer. If the Customer's exchange core is determined to be beyond economical repair (BER), the Customer will be given the choice to provide an acceptable replacement or to pay the Outright Sales Price, the repair facility's evaluation fee, plus all late fees and freight and handling charges.
5. It is hereby understood and agreed by the parties to this Agreement that the late fees set forth herein are established because the parties cannot readily ascertain the full extent and nature of the damages that will be suffered by EAC in the event the terms and conditions set forth herein are not complied with by the Customer. The parties acknowledge and agree that the late fees set forth herein constitute reasonable damages.
6. Core must be returned within 21 days, otherwise late charge terms will apply.
7. If payment terms are not met, the Customer agrees to pay a 1 ½% late payment fee per month on the outstanding balance and any and all reasonable collection and legal fees associated with collecting any unpaid amount due EAC. Any and all disputes will be subject to the State of New Jersey law and jurisdiction.
8. Warranties for items supplied under this Agreement are only those provided by the manufacturer or Overhaul facility. Any claims should be handled directly with them and in no way affects the terms and conditions of this agreement.
9. Any and all amendments to this agreement must be in writing and signed by both parties.
10. The Customer, by signing below has read, accepts and agrees to all of the terms and conditions of this agreement regardless of any other terms or clauses which may appear on the Customer's paperwork. The Customer also agrees to pay EAC per agreed payment terms.

East Air Corporation

Date: August 17, 2011

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