

AerSale Component Solutions (ASC)
STANDARD TERMS AND CONDITIONS

1. Acceptance and Agreement:

This agreement (this or the “**Agreement**”) is entered into between ACS and Customer for the repair, refurbishment, reconditioning (repair, refurbishment and reconditioning are collectively “**Repair**”) or sale of aircraft and aircraft engine parts, components and modules (hereinafter, both collectively and individually, the “**Part(s)**”). Each of ACS and Customer hereinafter are individually a “**Party**” to this Agreement and are collectively referred to as the “**Parties**”. This Agreement supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral between the Parties. This Agreement prevails over any of Customer’s general terms and conditions and are considered to be repeated upon delivery following the sale or completion of Repair of any Part(s) by ACS for or to Customer. Fulfillment of Customer’s order/request does not constitute acceptance of any of Customer’s terms and conditions and does not serve to modify or amend this Agreement.

The scope of any Repair requested shall be requested on Customer’s order/request and shall be confirmed by ACS upon issuance of its Repair Quotation and this Agreement. ACS is entitled, without the prior consent of Customer, but at Customer’s expense, to perform additional Repair services that ACS considers necessary for the proper performance of Repair services if:

- i) Customer’s prior consent cannot be obtained without causing delay in the completion of Repair services; and
- ii) The price for the additional Repair services does not exceed twenty percent (20%) of the value of the original Repair order.

All Repairs shall be at ACS’s facility in Rio Rancho, NM unless otherwise advised by ACS, where delivery of any Part(s) by Customer shall be at Customer’s risk and expense, unless otherwise agreed between the Parties in writing. ACS reserves the right to subcontract this Agreement, in full or in part. The nature and scope of the services to be delegated to the subcontractor shall be at ACS’s discretion; provided, however, that ACS shall remain responsible for all work performed pursuant to this Agreement including work delegated to any subcontractor.

2. Price and Payment:

All payments made by either Party shall be made in United States Dollars (“**USD**” or “**\$**”) to the bank account provided by the invoicing Party. Customer shall promptly review any invoice issued by ACS resulting from either the sale or Repair of Part(s) and shall notify ACS, in writing, of any disputed charges or billing errors within ten (10) business days of receipt of such invoice. Upon receipt of Customer’s notification, ACS and Customer shall commence discussions to resolve the dispute or correct the billing errors. In the event that Customer fails to notify ACS of any disputed amount or billing error, the amount billed shall be deemed approved by Customer without further recourse.

With regards to the sale of Part(s), the Parties understand and agree that title to all Part(s) in any applicable invoice shall remain the property of ACS until such time as full payment for the Part(s) is received by ACS. Prices quoted for the sale of Part(s) are valid for thirty (30) days subject to prior sale. All prices quoted for the sale or Repair of Part(s) are net and do not include transportation, insurance, taxes, import or export charges or duties, levies, imposts, penalties, interest or other similar charges (including without limitation goods and services tax, harmonized sales tax, sales tax, value added tax, withholding tax and any transfer tax), all of which shall be the responsibility of Customer and payable to ACS upon demand. The final invoice issued for the Repair of any Part(s) shall include any amounts owing (or paid by ACS) to any subcontractor in the event that ACS engages a subcontractor for the Repair of such Part(s).

Upon the approval of credit or for the Repair of Part(s), all balances owed by Customer to ACS shall be payable net thirty (30) days of invoice date. All sums that remain owing that have become past due shall bear interest at one and a half percent (1 ½%) per month (notwithstanding any limit on interest imposed by New Mexico law Section 56-8-5 NMSA 1978) or the maximum amount permitted by law commencing from the due date until the date the invoice amount plus any service charges are paid. No set-off is permitted by Customer with respect to any Part(s) sold to Customer hereunder against any amount owed by ACS, or an affiliate of ACS, to Customer unless ACS has provided its written consent to such set-off.

Customer hereby grants to ACS a security interest in any Part(s) Customer delivers to ACS for Repair as security for payment of ACS’s fees for labor, materials, costs and expenses and in addition to any statutory liens that apply to secure payment for the services performed by ACS for Customer. Such security interest shall be considered discharged in full upon receipt by ACS of payment from Customer for any and all Part(s) Repaired by ACS. This security interest is in addition to ACS’s right to a lien under New Mexico, Section 48-3-29 NMSA 1978.

3. Ordering Information:

All orders for Part(s) purchases must be made or confirmed in writing or by electronic data interface and are subject to approval and confirmation upon receipt by ACS (the “**Order**”). No Order is guaranteed by ACS until ACS issues an Order confirmation to Customer. Cancellation of Orders may not be made without the written consent of ACS. All cancellations that are accepted by ACS are subject to a fifteen percent (15%) cancellation fee. The minimum purchase order is One Hundred United States Dollars (\$100).

4. Returns:

All returns for credit must be made within fourteen (14) days after Customer's receipt of the Part(s), provided that Customer notifies ACS of its intention to return the Part(s) in accordance with Section 6 below. All returns that are not due to ACS's failure to deliver Part(s) in conformance with Customer's Order are subject to ACS's approval and a twenty-five percent (25%) restocking fee and shall be returned to ACS in the original condition in which it was sold to Customer.

5. Termination:

ACS may cancel this order and any subsequent order in the event payment is not received a minimum of two (2) business days from the date ACS intends to ship the Part(s) to Customer or in the event that Customer is in default with regards to its payment obligations in the event Customer has been granted credit by ACS.

6. Delivery and Inspection:

Unless they have been explicitly and in writing declared as binding, redelivery dates for Part(s) that have been Repaired are provisional, non-binding and shall serve as general information only. ACS will endeavor to notify Customer in the event that any Part(s) may be redelivered late. Delivery terms, for Part(s) sold or Repaired, are ex-works, ACS's facility in Rio Rancho, New Mexico (incoterms 2010) (where ACS means "Seller" and Customer means "Buyer") or such other ACS (or its affiliates) facility designated by ACS in writing. Unless otherwise agreed, all Part(s) delivered to Customer will be packed for shipment in accordance with ACS's standard packing procedures for such Part(s). Customer shall, within two (2) days after receipt of the Part(s) thereof, notify ACS of any nonconformance with the Order and return such non-conforming Part(s) to ACS if the Part(s) do not conform to the Order at ACS's cost. ACS shall then, at its option, be permitted to replace or repair such non-conforming Part(s). ACS is authorized to advance the Delivery Date (subject to payment terms contained in Section 2 and Section 5 hereof) or complete performance of any Order, prior to the time set forth in such Order unless agreed otherwise. ACS shall have the right to delivery Part(s) in partial shipments and invoice Customer for such portion that has or will be shipped.

7. Warranty:

- 7.1 ACS warrants, covenants and represents that it shall have good marketable title in and to the Part(s) sold to Customer on the date of sale. Interest in each Part(s) sold by ACS to Customer on the date of sale shall be free and clear of all security interests, claims, liens, encumbrances and rights of others of any nature whatsoever other than those of Customer or anyone claiming through Customer.
- 7.2 ACS warrants that all Part(s) Repaired by ACS will conform to the appropriate technical data referenced by the FAA 8130-1 release form and in accordance with all other FAA requirements, and will be free from defects in workmanship for a period of twelve (12) months after the date of tagging for all Repairs or one thousand (1,000) flight hours, whichever occurs first, excluding any overhaul which shall be free from defects in workmanship for a period of twenty-four (24) months from the date of tagging.
- 7.3 A warranty claim in accordance with Section 7.2 of this Agreement must be raised by Customer within thirty (30) days after the defect has or could have become reasonably apparent. In the event of a defect of workmanship arising, in accordance with Section 7.2, ACS will either, at its option, Repair or replace the non-conforming Part(s). In no event shall ACS's total liability for any warranty Repair or replacement cost exceed the original invoice amount for the Repair.
- 7.4 The warranty set forth in Section 7.2 and Section 7.3 of this Agreement shall not apply in the event that any of the Part(s) have been:
 - i) Subjected to any further repair, maintenance, overhaul, installation, storage, operation, or use, handling or environment that is improper;
 - ii) Subjected to any alteration, modification or repair by anyone other than ACS;
 - iii) Subjected to any accident, misuse, neglect or negligence after delivery by ACS to Customer.

ACS may, in its sole discretion, exercise its right of retention and may also refuse to meet warranty claims in the event that Customer is in default with its payment obligations.

- 7.5 The warranty set forth in this Section 7 shall be the exclusive and sole remedy for Customer in the event of any non-conforming Part(s).

8. Disclaimer of Warranties:

OTHER THAN WITH RESPECT TO TITLE AND THE LIMITED WARRANTY SET FORTH IN SECTION 7, NO WARRANTY SHALL BE PROVIDED BY ACS WITH RESPECT TO PART(S) SOLD HEREUNDER, AND EACH PART(S) SOLD HEREUNDER, AND EACH PART(S) SOLD TO CUSTOMER IS SOLD IN AN "AS IS, WHERE IS" CONDITION WITH ALL ASSIGNABLE WARRANTIES FROM THE LAST OPERATOR OR REPAIR FACILITY (IF SUCH WARRANTIES EXIST), AND THE OBLIGATIONS AND LIABILITY OF ACS HEREUNDER ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, AND CUSTOMER HEREBY WAIVES AND RELEASES ACS FROM ANY AND ALL OTHER WARRANTIES, AGREEMENTS, GUARANTEES, CONDITIONS, OBLIGATIONS, DUTIES, REPRESENTATIONS, REMEDIES OR LIABILITIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PART(S), ARISING IN CONTRACT, OR IN TORT, WHETHER UNDER THEORIES OF NEGLIGENCE, STRICT NEGLIGENCE OR OTHERWISE, INCLUDING WITHOUT LIMITATION: (1) ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE, (2) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE,

AND (3) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, FOR LOSS OF USE OR DAMAGE TO ANY ENGINE OR AIRCRAFT OR ANY OTHER SUCH PROPERTY FOR LIABILITY OF CUSTOMER TO ANY THIRD PARTY OR FOR ANY OTHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WITH RESPECT TO ANY PART(S) SOLD HEREUNDER, EXCEPT IN THE CASE OF ACS'S WILLFUL MISCONDUCT. THIS DISCLAIMER SHALL NOT BE MODIFIED EXCEPT BY WRITTEN AGREEMENT SIGNED ON BEHALF OF ACS AND CUSTOMER BY THEIR DULY AUTHORIZED REPRESENTATIVES.

9. Indemnity:

Customer will indemnify, defend and hold harmless ACS and its affiliates and subsidiaries and their respective agents, directors, employees, officers, shareholders, subcontractors, successors and assigns ("ACS Indemnitees") from and against all liabilities, claims, losses and damages of any nature including but not limited to all expenses (including legal fees), costs, and judgments for property damage or injury to or death of any person and any other direct, indirect, incidental, consequential, economic or statutory civil damages any of which arise out of or are in any way related to the provision of services by the ACS Indemnitees or the use, operation, repair, maintenance, or disposition of Part(s) provided under this Order or any order, whether or not arising from breach of contract, strict liability or tort (including negligence), provided however, Customer shall not be required to indemnify the ACS Indemnitees for claims or liabilities arising from the willful misconduct of any ACS Indemnitee. Customer shall carry and maintain such insurance in full force and effect and in types and amounts as would be carried by prudent companies engaged in the Customer's industry. Such policies of insurance shall be primary with respect to the indemnities of Customer set forth in this Agreement and shall contain waivers of subrogation of the insurers in favor of the ACS Indemnitees. Customer will provide ACS with certificates of insurance as may be required by ACS from time to time.

10. Limitation of Liability:

ACS's liability on any claim of any kind including negligence, for any loss (including death) or damage arising out of or connected with, or resulting from this order, or from the performance or breach thereof, or from the manufacture, sale, delivery or use of any goods covered by or furnished under this Order shall in no case exceed the price allocable to the Part(s) which give rise to the claim. Any such liability shall be conditioned on Customer providing prompt written notice to ACS of any claim and in any event within one (1) year from the date of occurrence of the claim unless the Parties have agreed in writing to a different claim period. In no event shall ACS be liable for special, incidental, indirect, punitive, or consequential damages including, without limitation, lost revenue or profit and cost of replacement goods.

11. Delay:

ACS will not be liable for any delay in performance due to causes beyond ACS's reasonable control including without limitation, embargos, blockages, seizures or freeze of assets, delays or refusals to grant export or import licenses or the suspension or revocation thereof, or any other acts or omissions of government, fires, floods, severe weather, or any other acts of God, quarantines, labor strikes or lockouts, riots, insurrection, civil disobedience or acts of criminals or terrorists, war, material shortages or delays in delivery by third parties, and in the event of such delay the date of delivery shall be extended for a period of time as may be reasonably necessary to compensate for such delay. ACS will not be liable for lost profits, loss of business or other incidental, consequential, indirect or punitive damages arising out of any delay, without limiting the foregoing, Customer agrees that for any liability arising out of delay, ACS is not liable or responsible for any amount of damage above the aggregate dollar amount paid by Customer for the purchase of the Part(s) under this Agreement.

12. Governmental Authorizations:

In all cases, Customer shall be the importer or exporter of record and shall be responsible for timely obtaining any required governmental authorization such as an import license, export license, exchange permit or any other required governmental authorization.

13. Proprietary Information:

All prices at which any Part(s) are sold hereunder and all other commercially sensitive information related to ACS's business, products and practices ("Proprietary Information") shall be held by Customer in confidence and Customer shall use and disclose same only as specifically authorized by ACS or as required by any governing authority. Customer further agrees to notify ACS immediately upon learning of any unauthorized distribution, disclosure, or use of Proprietary Information.

Title to all intellectual property rights (including, but not limited to copyrights, trademarks, patents, inventions, utility patents, registered design rights or design rights "I.P. Rights") disclosed in documents or data (including, but not limited to plans, drawings, patterns or designs) supplied by ACS to Customer under this Agreement, shall remain with ACS or any third party which is entitled to such I.P. Rights.

14. Governing Law and Venue:

This Agreement will be governed and construed by the laws of the state of New Mexico, except that New Mexico's choice of law rules shall not be invoked for the purpose of applying the law of another jurisdiction. In the event of any dispute or claim, the Parties hereby agree that any lawsuit or other legal action shall be filed in the courts of Sandoval County, New Mexico and in no other venue. The Parties agree to submit to the jurisdiction of any such court; agree to venue in such court; and waive any defense of forum non conveniens in such court. In any action arising under or related to this Agreement, Customer agrees to pay all costs and expenses incurred by ACS.

15. Export Compliance:

Customer understands that the products and/or the technology to be delivered by it pursuant to this Agreement are subject to export controls under the laws of the United States, including but not limited to: (i) U.S. Exports Regulations governing the export, transfer or re-export of U.S. manufactured products and products containing U.S. components, software, or technology as set forth in the U.S. Export Administration regulations (EAR), 15 C.F.R. §§ 772 et. Seq.; (ii) U.S. Export Regulations and laws restricting U.S. companies and their foreign affiliates and subsidiaries from doing business with certain embargoed countries and entities as set forth in the U.S. Foreign Assets Control Regulation (FACR), 31 C.F.R. §§ 500 et. seq.; and (iii) the International Traffic in Arms Regulations, 22 C.F.R. §§ 120 et seq. Customer agrees, warrants, and represents that it will not export or re-export the products, technology or products manufactured from the technology that are the subject of this Agreement in violation of the export laws of the United States.

16. Reclamation and Right of Set-Off:

This provision shall apply in the event that ACS has: (a) delivered the Part(s) to Customer on credit; (b) financed the sale of the Part(s) to Customer or (c) has engaged ACS for the repair, reconditioning or refurbishment of Part(s). As a condition of ACS allowing Customer to accept delivery of the Part(s) on credit, Customer represents and warrants to ACS that Customer is solvent and is not presently a debtor in any bankruptcy case in any court of competent jurisdiction. In the event of Customer's insolvency, the foregoing invoice together with this Agreement shall constitute a demand by ACS for reclamation of the Part(s) in accordance with Section 2-702 of the Uniform Commercial Code and Section 546 (c)(1) of the United States Bankruptcy Code. In the event of Customer's insolvency, Customer does hereby waive any defenses to ACS's reclamation of the Part(s) and Customer shall promptly return possession of the goods to ACS. Customer hereby grants a general lien on and a security interest in, any assets belonging to Customer as security for the performance of its obligations hereunder or to satisfy any obligation owed by Customer to ACS under any agreement.

17. Entire Agreement, Authority; Severability; Construction:

No statements, negotiations, warranties, course of dealing or usage or trade will be part of this Agreement between ACS and Customer. ACS rejects any of Customers inconsistent or conditions herein, in purchase orders or however states, and such shall not be part of this Agreement, unless specific and explicit references to changes to this Agreement are in writing by an authorized representative of ACS. Anyone signing for Customer represents that she or he is employed by Customer in the capacity indicated and is unequivocally authorized to bind Customer to this Agreement.

In the event of any of the aforementioned terms and conditions should for any reason be held ineffective, unenforceable, or contrary to public policy, the remainder of this Agreement shall remain in full force and effect notwithstanding.

In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.