

Standard Terms and Conditions of the company Motorflug Baden-Baden GmbH, referred to as Motorflug

I. Validity of own and third-party Standard Terms and Conditions

1. The following Standard Terms and Conditions of Motorflug shall apply to all present and future contracts with its customers, meaning
 - contracts for work and services and
 - contracts for work, services and materials, both governing work on aircraft and aircraft parts, as well as
 - contracts of sale for aircraft and aircraft parts (exchange parts, spare parts, accessories and additional parts).
2. Deviating and/or supplementary own Standard Terms and Conditions from Motorflug's customers shall not become contents of the respective contracts for work and services/ contracts for work, services and materials and contracts of sale, even if Motorflug does not explicitly object to them and/or provides contractual services for its customers without reservation and/or accepts contractual services without reservation.

II. Conclusion and fulfilment of the contract, special customer obligations

1. Contracts for work and services/ contracts for work, services and materials and contracts of sale that place Motorflug under obligations must be in writing, at all events written order and/or confirmation of order. Oral ancillary agreements do not apply and do not exist. Written declarations and confirmations from Motorflug must be objected to in writing without delay; otherwise they shall be deemed to be approved.
2. **Any item sent by the Customer to be repaired, inspected and/or overhauled shall be sent to Motorflug carefully packed DDP to Motorflug's premises.**
3. Approval for necessary test flights and/or test runs shall be deemed to be issued without a separate agreement.
4. Motorflug shall be entitled to provide its contractual services, or have them provided, through third-party companies.
5. Motorflug may withdraw from the contract in the event of the occurrence of force majeure (including embargos and/or import/export restrictions in the area of material procurement) and in case of unforeseeable obstacles to performance and/or obstacles to performance that cannot be overcome through acceptable expense. This shall not include obstacles to performance for which Motorflug is responsible.

III. Offers, quotations/ costs estimates, down payments

1. All offers and quotations/ costs estimates from Motorflug are without commitment until they are accepted by its customers.
2. **If the Customer does not accept the quotation, the item on its request and expense will be returned by Motorflug. The investigations, administration and transportation costs will be invoiced to the Customer by Motorflug.**
3. If it is seen after the award of the contract (among other things during dismantling, evaluation or other unforeseeable reasons) that additional work is necessary to fulfil the contract and/or there is a demand for additional material, Motorflug shall not be bound by quotations and/or concluded contracts. If such cases concern the restoration and/or maintenance of airworthiness the necessary follow-up or supplementary contracts shall be deemed to be awarded automatically, unless the customer objects to Motorflug within two weeks of knowledge and reference to this effect of fiction. Until then all Motorflug's contractual obligations shall be suspended.
4. The provision of materials by its customers shall require Motorflug's approval. If the customer supplies materials with a net value up to €300.00 it shall owe pro rate 12% of the usual Motorflug sales price per spare part (P/N), otherwise 7%. Motorflug does not assume any guarantee for materials supplied by customer.
5. Motorflug may make the implementation of the contract dependent on the prior payment of a reasonable down payment and in addition provide partial deliveries and invoice the latter in part.

IV. Delivery, delivery dates and acceptance

1. Delivery dates or delivery periods shall not commence before the award of the contract, the provision of aircraft or of aircraft parts, the documents that have otherwise to be made available and the necessary approvals or before the part payments to be provided by the customers. Motorflug may demand approval of a suitable extension to the performance period if the violation of the limit was not foreseeable when the contract was awarded. Customers shall not be entitled to set a period of grace with a threat to rescind the contract until it has expired.
2. The handover of aircraft and aircraft parts shall be carried out in principle from Rheinmuenster (Baden-Airpark) or from the respective Motorflug branch that carries out the work. The latest edition of the international trade terms (INCOTERMS) shall apply.
3. Motorflug may demand formal acceptance and make the handover of aircrafts or aircraft parts dependent on the prior payment of its provisional or final invoice. The handover shall take place in principle within five working days of the notification of completion. Following this Motorflug shall be entitled to park or store the aircraft or aircraft part concerned against reimbursement of the parking or storage charges. Parking may also take place in the open. The accruing costs must be paid before the handover. Motorflug shall only be liable in case of intention or gross negligence for damage caused during parking or storage.
4. If Motorflug supplies **spare or accessory parts on exchange base its Customer shall return an acceptable core without compensation at its own expenses and its title of ownership and appropriate technical documents attached within 30 days** after the availability of the exchange item. A core part shall be deemed to be acceptable if it has the agreed part number (P/N), shows only the usual wear and tear and it is in a condition that can be repaired economically. In other cases Motorflug reserves the right to make an additional charge in the amount of the value of an acceptable core. **The exchange item becomes the Customer's property. Upon delivery of the exchange item to the Customer, the removed one returns to Motorflug property. At that time, the Customer will save the removed core for Motorflug what substitutes the handover of the property. The Customer ensures unrestricted power of disposition on the removed core. The Customer cannot request to get back the initial item. If the Customer fails to return the core part within the said period of time, Motorflug may invoice additional charges for the exchange item based on the respective valid list price for new items.**
5. **Any item which is found non-repairable after inspection, as well as parts which have been removed as "scrap" during inspection, will be scrapped 30 days after notification given by Motorflug to the Customer. Customer may advise within this time frame that the item(s) shall be returned in "as-is" condition at Customer's expenses. In case of no answer, Motorflug shall be entitled to scrap the item(s) without Customer's consent. In both cases investigation, scrapping, transportation and administrative costs will be charged to the Customer.**
6. **If part and/or item are exported directly by sea, air, and road to a country outside the European Union, Motorflug will take over the responsibility to provide appropriate customs documentation to the Customer or its designated forwarder. The Customer guarantees correct closure of the respective customs procedure on leaving the European Union. In case of non-compliance, the Customer shall be liable for the full amount of any additional costs and charges imposed on Motorflug by national tax administration.**

V. Prices, payment

1. All invoice prices shall be due for payment immediately without deduction. Discounts (among other things rebates) shall be promised in writing and shall only apply subject to the condition that all invoice prices are paid on time. All payments shall be made without costs.
2. Complaints about invoices shall be made within seven days of receipt of the invoice. Invoices shall be deemed to be received no later than the third day after the date of the invoice. The customer shall bear the burden of proof of receipt of the invoice at a later date. Motorflug does not have to accept delayed complaints.
3. Terms of payment granted to the customer shall lapse and outstanding amounts due to Motorflug shall become due immediately if the customer petitions for bankruptcy or if its financial situation deteriorates to such an extent that the claim or claims appear endangered, if the customer made a false statement on its creditworthiness or if the cover promised by a credit underwriter insurer is revoked or reduced.
4. Setting counterclaims off against claims by Motorflug shall only be permitted if the counterclaims are not disputed, or if they are ready for discussion or legally established.

5. **Motorflug prices are exclusive any charges resulting from administrative and legislative regulations in force in the Customer's country and of any customs and duty charges, which are the Customer's responsibility.**
6. **Payment shall in no case be postponed or apportioned for any reason whatsoever. Failure to pay any outstanding amount in due time shall render all amounts due by the Customer immediately payable. In the event of a payment delay, the Customer will be, in full right, liable for a 12 (twelve) % annual interest rate or any higher rate required by law, for the period lapsed between due date and the date upon which funds were made available on Motorflug's bank account. In the event of a delay or failure by the Customer to pay, Motorflug will be entitled to suspend performance of all current contracts/orders or to rescind the contract by written notice and retain as liquidated damages any initial payment made by the Customer. The retention of any such payment shall not preclude Motorflug from seeking compensation from the Customer for further damages and/or costs. The Customer shall be entitled to show and prove that the actual damage caused by such default to Motorflug is considerably less than the amount retained as liquidated damages. The Customer shall not be entitled to claim compensation for damages on the grounds of non-availability of parts or non-performance of services.**
7. **Accordingly, in the event that the Customer fails to pay according to the contractual payment terms, Motorflug reserves the right to rescind the contract through notification sent by registered letter and, if the items/spare parts are already delivered, to demand that said items be returned.**

VI. Guarantee, liability

1. Guarantee services (work and material) shall be provided at Motorflug's location or at the location of the branch that carries out the contract. The customer shall bear all extra costs of agreed deviations.
2. In case of the purchase of aircraft or aircraft parts Motorflug shall be given an initial opportunity in the framework of the guarantee to provide subsequent performance under § 439 (1) German Civil Code (BGB). **The statutory liability of Motorflug for injury of life, body or health shall remain unaffected by the following limitations.** With the exception of cases of breaches of a material contractual obligation the reasons for claims for damages of whatever kind shall be limited to intention and gross negligence and in cases of gross negligence with regard to the amount to the respective purchase price for the aircraft or aircraft part. Proof of greater damage or loss would have to be provided. Material obligations are those obligations whose fulfilment enables the due fulfilment of the contract in the first place and in whose compliance the customer may trust as a rule. In case of contracts of any kind for work and service and for work, labour and materials Motorflug shall initially be given an opportunity for subsequent performance. Rights under § 634 No. 2 to 4 BGB may only be claimed after unsuccessful subsequent performance. With the exception of intention the amounts of claims for compensation of any kind shall be limited to the respective compensation for work under the contracts for work and service and for work, labour and materials. Proof of greater damage or loss has to be provided.
3. Assignment of all guarantee claims to third parties is excluded.
4. Consequential damage resulting from a late notice of defect shall be for the account of the Customer.
5. **In case of direct damages or consequential damages on aircrafts or aircraft parts which have been handed over to Motorflug, Motorflug is entitled to perform the repair. With the exception of cases of intention the liability of Motorflug is limited to the market value of the aircraft or aircraft part, if a repair is not possible or only possible at unreasonably high costs. Proof of greater damage or loss has to be provided.**
6. Motorflug shall not be liable for loss of and/or damage to items that are not firmly fixed to the aircraft or aircraft part and the other contents of aircraft and aircraft parts.
7. The general risk associated with **check flights, test runs and ground runs** shall be for the account of customers.

VII. Realisation rights

Surrender of an aircraft or aircraft part may be refused until the full and complete payment of Motorflug's claims in respect of the aircraft or aircraft concerned. In addition, a contractual lien on the aircraft or aircraft concerned will be created for Motorflug to secure the respective claim. If the customer is in default for longer than 60 days, has not raised any substantiated objections up to then and Motorflug has notified a corresponding action by the 75th day of

default it may realise the aircraft or aircraft concerned in accordance with the statutory rules for the enforcement of liens and obtain satisfaction from the proceeds of realisation.

VIII. Retention of title

1. If Motorflug has supplied aircraft or aircraft parts that are capable of being privileged it shall retain title in them until full payment of the purchase price or the claim for compensation for work.
2. If third parties claim own rights in Motorflug's reserved property the customer shall object, point out the retention of title and inform Motorflug immediately.
3. If title to the aircraft or aircraft part concerned is lost through combining, mixing or other processing, Motorflug shall without further agreement become co-owner of the aircraft or aircraft part concerned in the ratio of the value.

IX. Data protection

1. Motorflug shall have the right to pass on customer data insofar as this is necessary to safeguard its legitimate interests and there is no reason to assume that the customer's interest in the exclusion of transmission outweighs this.
2. Motorflug reserves all property rights, copyright and other industrial property rights in all documentation, drawings and/or other records that it makes available to its customers in physical or electronic form. These may not be passed to third parties.

X. Concluding provisions

1. All legal positions from all legal relations between Motorflug and its customers are governed by the laws of the Federal Republic of Germany. The application of the UN Sales Convention is excluded as far as permissible. In supplement the guarantee terms in the German version as amended at the time the contract is concluded shall apply to all legal positions between Motorflug and its customers. On request each customer shall receive an English version, which can also be read on the Motorflug homepage <http://www.motorflug.com>. In case of doubt the German version shall prevail.
2. The place of performance, fulfilment and payment for the obligations of customers towards Motorflug is Baden-Baden, Federal Republic of Germany. Motorflug reserves the right to sue its customers at the location of their general legal venue. In case of contracts with merchants Baden-Baden shall be deemed to be the agreed legal venue.
3. If any of these Standard Terms and Conditions are or become wholly or partially invalid this shall not affect the remaining terms and conditions.

Baden-Baden, Sep 01, 2012