



EXCHANGE AGREEMENT



By and between Flying Tiger Company (hereinafter "FTC") 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 FTC's invoice. These charges will be billed with payment due upon receipt of invoice, including all freight, packaging and handling charges.

ADDITIONAL TERMS AND CONDITIONS:

1. The FTC Unit (in case of loan) respectively Core Unit (in case of exchange) must be returned not later than the end of the loan respectively exchange period agreed for each transaction to:

Flying Tiger Company 9530 Aurora Ave N #105 Seattle, WA 98103

2. Once a unit leaves FTC's facility, this agreement is in effect in its entirety. Cancellations are subject to the full Exchange Fee and late fees.

3. The FTC Unit shall not be repaired or otherwise modified without written approval by FTC. Your company shall handle the Material in good airline manner and in accordance with the applicable technical manuals. Your Company shall not lend or otherwise hand over the Material to third parties.

4. Upon receipt of the returned FTC Unit respectively Core Unit FTC shall inspect, re-certificate, repair, overhaul and upgrade such Unit to FTC's modification status at the sole cost and expense of Customer. If the returned Unit is beyond economical repair, the Unit shall be returned to Customer in its unserviceable condition and the loan or exchange shall, upon FTC's request, be converted into a sale or a loan. Alternatively your company shall have the right to supply - prior to FTC's approval - an alternate Unit as replacement - in this case exchange fees will apply for the time until the replacement is handed over to FTC.

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 FTC 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. 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 FTC. Any and all disputes will be subject to the State of Washington law and jurisdiction.

7. Warranties for items supplied under this Agreement are only those provided by the manufacturer. Any claims should be handled directly with them and in no way affects the terms and conditions of this agreement.

8. Any and all amendments to this agreement must be in writing and signed by both parties.

9. 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 FTC per agreed payment terms.

10. Your Company shall indemnify and hold harmless LHT, its officers, directors, employees and subcontractors from and against (i) any damages, cost and expenses, including consequential damages, and (ii) any third party claims arising out of or in connection with the loan/exchange of the Material under this agreement.

Flying Tiger Company

Date: _____

Date: _____