



Consignment Agreement: Aircraft – Excess Stock

This AGREEMENT made this _____ day of _____, _____ to promote and market the sale of “Excess Stock” by and between:

(Hereinafter called the CONSIGNOR)

and

Ocean Air, Inc.
3123 Commerce Parkway
Miramar, FL 33025
(Hereinafter the called CONSIGNOR)

RECITAL

WHEREAS, the CONSIGNOR, in order to promote the sale of excess aircraft parts owned by CONSIGNOR, has requested the CONSIGNEE to act as Sales Agent, and to maintain upon its premises items of Excess Stock (hereinafter called “Excess Stock”) which have been determined as such by CONSIGNOR.

AND WHEREAS, the CONSIGNEE has agreed to receive on behalf of the CONSIGNOR, the aforementioned Excess Stock, upon the terms and conditions hereinafter set forth.

ARTICLE 1 The CONSIGNEE agrees to receive and maintain on its premises, such Excess Stock as the CONSIGNOR may from time to time consider in its own interest to place in the custody of CONSIGNEE and being held on consignment by the CONSIGNEE under the conditions herein until such time as they may be disposed of by sale by the CONSIGNEE, or as may otherwise be hereinafter provided.

ARTICLE 2 CONSIGNOR will deliver the Excess Stock referred to herein to CONSIGNEE’S dock located in Miramar, FL, USA. The CONSIGNOR shall be responsible for the cost incurred in transporting the parts.

ARTICLE 3 The CONSIGNEE shall use its best efforts to sell the Excess Stock at the best competitive market price, and the proceeds of such sales shall be distributed 50 Percent to CONSIGNOR and 50 percent to the CONSIGNEE. It is agreed that the above remuneration shall cover all Administration and Selling expenses incurred by CONSIGNEE, including but not limited to, warehousing, advertising, sales, promotion, inspection, preparation for shipment, and accountancy.

ARTICLE 4 Those items that are deemed unserviceable or shelf-life-expired and cannot be sold unless recertified by an Approved organization will be evaluated, and the CONSIGNEE will arrange for the necessary work to be carried out and make payment on completion. The cost of any repairs/recertification work will be deducted from the final selling price, prior to the distribution of the proceeds as applied in ARTICLE 3.



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ARTICLE 5 The CONSIGNEE shall provide to CONSIGNOR a monthly sales report, beginning one month after the date of the first sale, summarizing by manufacturer's part number, description, CONSIGNEE'S selling price and any recertification costs. The CONSIGNEE will remit to the CONSIGNOR the total amount of such sales due to CONSIGNOR, after first deducting the appropriate remuneration due to CONSIGNEE as calculated in accordance with ARTICLES 3 and 4 thereof. Example: by the 15th of May, a sales report recapping all April sales will be sent to the CONSIGNOR with a check in payment for CONSIGNOR'S share of March sales.

ARTICLE 6 After receipt and acknowledgement thereof by the CONSIGNEE of Excess Stock furnished by CONSIGNOR pursuant to this Agreement, the CONSIGNEE will be responsible for any and all shortages thereafter appearing and shall pay the aforementioned percentage of the agreed market value of those items that are short, to the CONSIGNOR before the last day of the three months subsequent to the month in which such shortage is discovered.

ARTICLE 7 CONSIGNOR will maintain his own insurance coverage and furnish proof thereof to the CONSIGNEE.

ARTICLE 8 The CONSIGNEE will be responsible for storing the Excess Stock in a manner consistent with industry standards and acceptable to the CONSIGNOR. The Excess Stock shall be identifiable from other property owned by CONSIGNEE or others, and shall not be removed from the Storage Area unless withdrawn for sale pursuant to ARTICLE 3 above, or for the purpose of rework or recertification pursuant to ARTICLE 4 above, or for reshipment to CONSIGNOR pursuant to ARTICLE 14 below. The Excess Stock shall at all times be stored and maintained by CONSIGNEE in accordance with standard aviation procedures, to prevent damage or abnormal deterioration. CONSIGNEE shall also maintain inventory records to the satisfaction of the CONSIGNOR, who will have access to such records at all times.

ARTICLE 9 CONSIGNEE will provide to CONSIGNOR an Inventory List of the Excess Stock consigned under this agreement as of two months after first delivery and quarterly thereafter. The CONSIGNOR or his nominee shall at all times have the right to enter upon or into the CONSIGNEE'S offices and storage premises, for the purpose of carrying out such audit as deemed by the CONSIGNOR as being necessary. The CONSIGNOR and CONSIGNEE agree to at least two review meetings per year at a date and time is determined in their best interests.

ARTICLE 10 The CONSIGNEE shall be responsible for all credit arrangements it makes with buyers of Excess Stock, and shall bear the cost of all bad debts, and no charge or offset against payment of CONSIGNOR on account therefore shall be allowed.



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ARTICLE 11 Title to the Excess Stock consigned to the CONSIGNEE under this agreement shall, unless sold as provided herein, be vested in the CONSIGNOR. CONSIGNEE warrants that the Excess Stock shall not be the subject of any attachment, sale or seizure in settlement of debts of the CONSIGNEE, or any claim brought against CONSIGNEE.

CONSIGNEE shall not sell, assign, lease, transfer possession of, or in any way dispose of, the Excess Stock or permit any lien or encumbrance to be imposed upon the Excess Stock or any part thereof, except in accordance with the provision of this agreement.

CONSIGNEE shall take all necessary measures to preserve and protect the title of consignor to the Excess Stock against the claims of all persons whatsoever, and CONSIGNEE indemnifies CONSIGNOR in this respect.

Any parts remaining following the termination of the Agreement shall be held by CONSIGNEE for a period of sixty (60) days pending written instructions of CONSIGNOR. If either party cancels this Agreement, all packing and transportation costs will be chargeable to the party concerned. This situation will apply if cancellation occurs other than outlined in ARTICLE 15.

ARTICLE 12 At the time and subsequent to the sale of any of those Excess Stock by CONSIGNEE, CONSIGNEE releases and agrees to indemnify and hold harmless the CONSIGNOR, its Directors, Officers, Employees, and Agents, from any injuries to, or deaths, of persons, or destruction or damage to property, arising out of the use and operation of those parts delivered to CONSIGNEE under this consignment agreement unless such claims or losses result from the willful misconduct or gross negligence of CONSIGNOR, its Officers, Employees, and Agents.

ARTICLE 13 The CONSIGNEE shall have the option at the final termination of the Agreement to purchase from the CONSIGNOR the Excess Stock then remaining in the CONSIGNEE'S possession at the price and terms and conditions acceptable to the CONSIGNOR.

ARTICLE 14 CONSIGNOR shall have the right at any time to recall any Parts for its own use unless CONSIGNEE has entered into a prior contractual commitment to sell such Parts. Upon such recall, CONSIGNOR shall be obligated for: return transportation charges, where applicable: and a charge of 50 dollars per event will be assessed by CONSIGNEE to cover handling and other miscellaneous expenses related to such parts. Recalled parts will be shipped F.O.B. Miramar, FL USA.

ARTICLE 15 This Agreement shall remain in force and full effect for an initial period of three (3) years from the date hereof, within this period an annual review of progress it to be made, and thereafter from year to year unless terminated with six (6) months prior written notice of termination by either party: subject, however, at all times to CONSIGNEE enters into liquidation, enters into a scheme or arrangement with its Creditors generally, has a Receiver appointed over the whole or part of its assets, of CONSIGNEE enters into voluntary bankruptcy, or in the event of filing of any involuntary action of bankruptcy against the CONSIGNEE and such filing has not been dismissed within thirty (30) days. Such termination shall not affect the right of CONSIGNOR forthwith to remove all Stock from where ever they may be located, nor relieve the CONSIGNEE from any obligation to CONSIGNOR that then may remain unfulfilled. CONSIGNEE shall always give notice and keep CONSIGNOR informed of all acts of bankruptcy brought against or undertaken by CONSIGNEE. In the event of CONSIGNEE'S breach or default under this agreement, CONSIGNOR shall have the right to enter CONSIGNEE'S premises and retake any Stock owned by CONSIGNOR and terminate this Agreement.



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ARTICLE 16 Spare Parts sold hereunder by the CONSIGNEE shall be sold without any warranty whatsoever on behalf of CONSIGNOR, other than Approved Certificates and Traceability where applicable. We require a blanket certificate from the CONSIGNOR stating that all of the material consigned to Ocean Air, Inc. was obtained either from the Original Equipment Manufacturer (OEM) or a Part 121, 135, 145 or Foreign Carrier and such material is non-military and not incident related.

ARTICLE 17 Any advertising by CONSIGNEE must be submitted to the CONSIGNOR and written approval obtained prior to action.

ARTICLE 18 This agreement shall inure to the benefit of and be binding upon each of the parties hereto, and it may not be assigned in whole or in parts by either party without prior written consent of the other party.

ARTICLE 19 All notices and requests in connection with this Agreement shall be given in writing.

ARTICLE 20 This Agreement or the interpretation of any provision herein shall be governed by the laws of the State of Florida.

IN WITNESS HEREOF the parties hereto have assigned these presents on the date and year first written above.

CONSIGNOR

CONSIGNEE

Ocean Air, Inc.

By: _____

By: _____

Title: _____

Title: _____

Witness: _____

Witness: _____

Date: _____

Date: _____