

## APPENDIX A: ELLIOTT AVIATION STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions of Sale of Elliott Aviation, LLC. (“Elliott Aviation”), together with the terms of sale set forth in our signed proposal (“Proposal”) submitted to you, will be the only terms of sale applicable to our repair, overhaul or servicing (“Services as defined in the Proposal”) of your Aircraft and parts thereof (“Equipment”) described in the Proposal.

### 1. General Terms & Conditions

**Performance of Work.** In the event maintenance, modification or repair service is required or requested for the Aircraft, such work will be contracted directly between Customer and an authorized Elliott licensed and certified affiliate to perform such services i.e., Elliott Aviation of the Quad Cities, Elliott Aviation of Minneapolis, Elliott Aviation of Des Moines, Elliott Aviation of Atlanta, Elliott Aviation of Texas or Elliott Aviation Technical Products Development, LLC.).

### 2. Conditions of the Aircraft/Pricing

All Inspections, Maintenance, Service Bulletins and Installations are priced based upon information in current circulation on the date of the proposal. Any subsequent releases may result in price changes due to changes in the applicable approved data. Proposal pricing is based on the assumption that: the Aircraft is in airworthy condition; there is adequate space for the requested work; and the existing electrical/avionics interfaces and electrical power will accommodate the new installations and modifications. Proposed prices and downtimes are contingent on the Customer providing Elliott Aviation with applicable: existing avionics, electrical and aircraft system diagrams and drawings; current weight and balance data; electrical load analysis data; and/or FAA Form 337 and other maintenance records and documentation that accurately represent the current condition of the Aircraft. Missing documentation or discrepancies between the supplied documents and the current Aircraft configuration that cause Elliott Aviation to research and complete the data to accomplish the proposed work scope will cause additional charges and may extend the downtime. Pricing assumes that the existing Aircraft wiring prints provided by the Customer match the current Aircraft configuration and that the existing structures will not have to be tested or modified in order to complete the work. In the event one or more of these assumptions is wrong, an estimate of the additional cost and time required to correct the deficiency will be submitted to the Customer for approval. Permanently removed equipment in which a customer is being provided a “trade-in credit” must be in Airworthy Condition. Additional charges may apply.

Any repair or replacement shall be performed at an Elliott Aviation facility and Customer shall be responsible for transportation costs. Any work required that is not part of a proposal or changes to the proposed work scope will be performed at the current labor rate and may extend the Aircraft downtime. Downtime stated in proposals is based upon a timely availability and receipt of required materials. Unless specifically stated, existing hardware will be used. All fuel, lubricants and/or crew expenses, incurred for engine runs and all flight costs, are the Customer’s responsibility. All freight charges are the responsibility of the Customer and will be charged in addition to any proposed pricing. Unless specifically stated, all equipment and furnishings removed shall become the property of Elliott Aviation and may be discarded after Aircraft release and departure. Cancellation of any agreed work scope is subject to restocking/penalty charges; including charges for work performed.

### 3. Customer-Supplied Parts

All Customer-supplied parts are subject to an incoming inspection process. A handling charge of twenty percent (20%) of the Aircraft manufacturer’s List Price of the part (or a reasonable estimate by Elliott Aviation if list price is not available) will be invoiced to the Customer. The Customer shall supply all appropriate part documents, as required by the governing airworthiness authority, with the supplied parts.

### 4. Substitutions

Elliott Aviation may incorporate changes in design, construction or installation and substitute equivalent equipment, accessories, parts, or material where it deems such changes necessary to improve the quality, performance, reliability, stability, utility or appearance of the goods or materials supplied hereunder. If any materials specified or contemplated herein are not readily procurable for their intended purpose due, directly or indirectly, to governmental prohibitions, restrictions or priorities, Elliott Aviation will have the right to substitute equivalent suitable materials.

### 5. Delays

Any proposed completion date is only an estimated completion date and is not guaranteed. Elliott Aviation is not liable or responsible for any loss of use or other damages for non-performance or delay of the work, consequential, regulation or ruling that directly or indirectly interferes with or renders more burdensome the work; non-availability of parts, materials or components from suppliers; delays in transportation; labor strikes; delays in governmental approval or other causes beyond Elliott Aviation’s reasonable control.

### 6. Discrepancies and Additional Work

Any additional work may extend the downtime of Components as well as increase the final invoice. For additional work and correction of discrepancies found during the inspection, the current hourly labor rates at the time of service shall be applicable.

## **7. Supplemental Billings**

Elliott Aviation may be unable to secure final vendor or internal pricing on certain parts of services, such as exchange parts with core charges, at the time an invoice is required to process the payment. In those cases, an estimated invoice will be provided for payment in full (see above). After final prices are known, a final or additional invoice will be provided as quickly as possible to the Customer for payment. The Customer will be notified in this event.

## **8. Payment Terms**

All pricing is in U.S. dollars. Payment in full is due upon completion of the work and prior to release of the Aircraft, unless Elliott Aviation accepts other arrangements. Acceptable methods of payment include cash, wire transfer, ACH, pre-approved company check or major credit card. Any credit card fees are the responsibility of the Customer. Progress payments are required for projects in excess of \$500,000 quoted value: Twenty-five percent (25%) deposit is due upon acceptance of the proposal; twenty-five percent (25%) due upon input of the Aircraft into the maintenance facility; twenty-five percent (25%) due at the approximate fifty percent (50%) completion point; with the remaining balance is due before the Aircraft is released and must be paid via wire transfer. Work scopes less than \$500,000 quoted value require payment of forty percent (40%) deposit upon acceptance of the proposal, and the balance due before the Aircraft is released and must be paid via wire transfer. Maintenance ONLY Work scopes in excess of \$75,000 quoted value require payment of forty percent (40%) deposit upon acceptance of the proposal with the balance due before the Aircraft is released and must be paid via wire transfer. Elliott Aviation reserves the right to request additional deposits, progress payments and/or downtime for any additional work requested. Seven percent (7%) of the total labor will be added to the final invoice for expendables, not to exceed \$2,500.00. Itemized pricing is for cost analysis only, and is not intended as stand-alone pricing.

All labor quoted is based on posted standard labor rates and does not include overtime. Any overtime will be authorized by the Customer and will be billed at the posted overtime labor rate. Deposits become non-refundable ninety (90) days prior to the agreed aircraft arrival date, and will be retained by Elliott Aviation as liquidated damages in the event the project is cancelled. Customer agrees to pay one and one-half percentage (1.5%) points interest per month for all payments past due. Customer agrees that Elliott Aviation shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in connection with any action or proceeding to enforce its rights and/or to collect amounts due. Customer agrees that Credits or excess deposits on account will expire or become nonrefundable after twenty-four months of account inactivity. In the event Elliott is unable to secure final vendor or internal pricing on certain parts or services, such as exchange parts with core charges, at the time a final invoice is required to process the payment, Elliott will provide Customer with an estimated invoice for payment at the time of releasing the Aircraft. After final prices are known, a final or additional invoice will be provided to the Customer for payment. Prices quoted are based on current stock and pricing at time of quote issuance, pricing could vary based on date of input and vendor price adjustments. Prices quoted are in effect for a period of thirty (30) days from date of quote issuance.

## **9. Sales Tax**

Company's prices and charges do not include such taxes. Customer is responsible for all sales, use, excise, or any other similar or other taxes, fees, duties, tariff or charges assessed or imposed by any governmental authority ("taxes"). Upon request, Customer shall furnish acceptable certificates or affidavits of exemption from any such taxes or charges. Customer agrees to defend and protect Company from and against any claims for such taxes.

## **10. Customer's Inspection**

Customer shall promptly inspect the Aircraft or repaired part upon return thereof and notify Elliott Aviation, in writing, within ten (10) days of any claims of incomplete or unacceptable work. The failure of Customer to notify Elliott Aviation of any such claims within said ten (10) day period shall constitute an irrevocable acceptance of the Aircraft and all work and an admission by Customer that the work fully complies with all agreed terms, specifications, and conditions.

## **11. Warranty and Disclaimers**

The Elliott Aviation "Statement of Warranty" in effect as of the date of this Work Authorization shall govern the work. A copy has been provided to Customer, or will be provided to Customer, upon request. THE STATEMENT OF WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.

## **12. Manufacturer Warranty Programs**

Elliott Aviation does not provide a warranty for parts or software, which may have a manufacturer's warranty. Elliott Aviation provides the service of warranty administration manufacturers' products, as an independent provider. Elliott Aviation will submit warranty allowable items for reimbursement from the manufacturer. However Customer agrees to be responsible for any claims or charges (includes parts and or labor) submitted to manufacturer that are unpaid by that manufacturer. Elliott Aviation shall not be responsible for denied or cancelled warranty plans or programs.

## **13. Software**

Any software provided hereunder shall be subject to the terms and conditions of the supplying vendor's software license. The warranties for software shall be limited to the warranties provided by such vendor.

#### **14. Applicable Law**

This Agreement is governed by the laws of the State of Iowa and, to the extent applicable, the lien laws of any jurisdiction in which the work is performed. Customer hereby submits to the exclusive jurisdiction and service of process of the courts of the State of Iowa and such other jurisdictions in which the work is performed (including federal courts within said states) with respect to any dispute arising out of or in any way related to work performed.

#### **15. Responsibilities.**

**On Ground Responsibilities.** Elliott Aviation is responsible for all claims, demands, suits, judgments, losses, damages, costs and expenses, which arise on the ground out of Elliott Aviation's negligence in performing Services on the Aircraft. **In Flight Responsibilities.** Customer is responsible for all claims, demands, suits, judgments, losses, damages, costs and expenses arising out of the in-flight operation of the Aircraft, except to the extent that such claims, demands, suits, judgments, losses, damages, costs and expenses arise out of Elliott Aviation's negligence in performing Services (as defined in the Proposal) on the Aircraft. Customer agrees that Elliott Aviation is not responsible for the pilots who operate the Aircraft regardless of who provides the pilot(s). Customer represents and warrants that it has procured insurance for the hull of the Aircraft and acknowledges that Customer is responsible for all damages to the hull of the Aircraft regardless of which party causes the damage. Upon request, Customer shall provide evidence of hull and liability insurance in a form satisfactory to Elliott Aviation.

**Mutual Indemnification.** Each party agrees to indemnify, defend, save and hold harmless the other party from and against any and all claims, liabilities, demands, judgments, suits, losses, damages, costs and expenses which are the result of the party's failure to meet their responsibilities set forth above, provided, however, that neither party is required to indemnify the other party for any claims or liability arising out of that party's own negligence or misconduct, except for set forth herein.

**Engine Preservation.** Elliott Aviation may perform engine preservation procedures in accordance with engine manufacturer's directions for the engine model. The scope of engine preservation performed is determine by the initial anticipated planned work duration and through correspondence with Elliott Aviation's representative or project manager. If the customer chooses not to perform engine preservation, they must do so in writing

Additional work requests not included in the original scope of maintenance shall be in writing and Customer shall agree to pay Elliott for such costs prior to performing work, unless otherwise agreed upon by the parties. Modified work scopes and/or planned work durations may change engine preservation directions from the manufacturer. Customer agrees that Elliott Aviation will invoice the Customer and Customer agrees to pay for all engine preservation services.

Customer agrees and accepts responsibility for costs incurred if Customer fails to pick up aircraft when ready, stops or postpones in-process work including but not limited to discrepancy repair/discrepancy approvals or fails to communicate/respond to Elliott Aviation and customer agrees to pay Elliott Aviation to provide up to 30 days of engine preservation without customer approval and authorization. Additionally, Elliott Aviation reserves the right to charge a storage and parking fee and Customer shall be responsible to Elliott Aviation for all charges associated with the storage or parking of the aircraft. The storage fee will be determined by the length of time the aircraft remains on Elliott Aviation premises and will be in alignment with fair market pricing paid by other tenants typical for the space occupied.

In the unlikely event that the customer does not respond or pay amounts due, Elliott Aviation may remove the aircraft from its premises immediately after 90 days at the owner's expense.

#### **16. Limitations of Liability**

IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY LOSS OF USE OF THE AIRCRAFT, LOSS OF PROFITS, DIMINUTION IN VALUE, OR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSSES, INCLUDING, WITHOUT LIMITATION, ANY LOSS OR DAMAGE TO THE AIRCRAFT RESULTING FROM ANY FAILURE OR REFUSAL TO PERFORM CUSTOMARY RECOMMENDED OR REQUIRED STORAGE AND MAINTENANCE PROCEDURES ON ANY AIRCRAFT HELD ON THE COMPANY'S PREMISES, UNLESS SPECIFICALLY AGREED IN WRITING. IN NO EVENT

SHALL ANY ACTION BE COMMENCED AGAINST COMPANY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION

WITH RESPECT TO WHICH THE CLAIM IS MADE HAS ACCRUED. In the event Elliott Aviation physically damages

Customer's property, Customer's sole and exclusive remedy, and Elliott Aviation's sole and exclusive liability, is limited to the repair or replacement (at Elliott Aviation's option) of the damaged portion of the property.

#### **17. General Provisions**

**Right to Subcontract.** Elliott Aviation has the right to subcontract any Service to any subcontractor properly certified and rated by the Approved Aviation Authority.

**Assignment.** This Agreement may not be assigned without the prior written consent of the other party, except that Customer's consent is not be required for an assignment by Elliott Aviation to one of its affiliates.

**Waiver of Immunity.** If you are incorporated or based outside the United States, to the extent that you or any of your property becomes entitled to sovereign or other immunity from any legal action, you waive your immunity in connection with this Agreement.

**Language, Notices.** All correspondence and documentation connected with this Agreement will be in English. All notices will be in writing, effective

upon receipt and will be provided to the addresses set forth on the Proposal, which may be changed by written notice.

Non-Waiver of Rights and Remedies. Failure or delay in the exercise of any right or remedy under this Agreement will not waive or impair such right or remedy. No waiver given will require future or further waivers.

**18. Entire Agreement.**

This written agreement contains the entire agreement of the parties regarding this matter, superseding any prior oral or written agreements or understandings. This Agreement may be executed in one or more counterparts, each treated as the same binding agreement, which shall be effective upon execution. Any changes to this agreement must be agreed to in writing. Appendix A (Standard Terms and Conditions) & Appendix B (Special Terms and Conditions).

## APPENDIX B: SPECIAL TERMS AND CONDITIONS

These terms and conditions are applicable only to services as provided to the customer.

### 1. MAINTENANCE

- 1.1. Any discrepancies, corrosion repair, or other maintenance found as a result of the proposed work scope will be worked on a time and material basis.

### 2. AVIONICS

- 2.1. Due to the excessively high demand for Avionics modifications, Elliott Aviation will require a non-refundable deposit of \$5,000 to secure aircraft input start date and required labor to support the installation. This deposit is in addition to the deposit required under Terms and Conditions para. "Payment Terms". The deposit under "Payment Terms" is required to be received no less than 90 days before scheduled aircraft input date. Failure to provide Payment Terms deposit can result in a forfeiture of the \$5,000 input date deposit. A three calendar day grace period will be provided to avoid forfeiture of the input date deposit.
- 2.2. Aircraft engineering documents must coincide with the current aircraft configuration. Inaccurate wiring, wiring diagrams, or other related documents will result in additional time and material charges. The Customer shall be responsible for providing wiring diagrams and any related documents for existing aircraft systems installations prior to or upon aircraft arrival.
- 2.3. Existing aircraft systems and avionics equipment that are coupled to newly installed avionics systems must be operating to current factory standards and mod status or additional repair costs will be applied.
- 2.4. This Specification does not assume any possible HIRF testing requirements that are developed at a later date.
- 2.5. EMI/RFI interference problems that are pre-existing or are found because of newly installed equipment, will be corrected at an additional cost to the customer.
- 2.6. Two complete sets of Avionics wiring diagrams will be provided for the Avionics equipment installed by Elliott.
- 2.7. Elliott Aviation will register all warranty on newly installed equipment.
- 2.8. Unless specifically stated in this Specification, prices do not include any modifications or other work that is required due to antenna relocation or structural modification to gain space provisions. Should it be determined that modifications are necessary, such work shall be accomplished at an additional cost to the Customer.

### 3. INTERIOR MODIFICATION

- 3.1. The pricing or downtime of a proposal may vary depending on materials selected by the Customer.
- 3.2. Elliott Aviation assumes the current oxygen supply and system to be capable of delivering the required flow to any new configurations.
- 3.3. All new fabrics and materials not inherently flame resistant shall be treated with a fire retardant protection as needed to comply with applicable FAA specifications. Elliott Aviation will only install new materials that are certified to meet the requirements of FAR 25.853 (FAR29.853 for helicopters).
- 3.4. Proposals are based upon a standard aircraft in a standard configuration without deviations from OEM fit/form/function industry practices; therefore, any deviations may result in additional charges.
- 3.5. When performing refinish work on existing woodwork, Elliott Aviation assumes woodwork to be in good condition. If upon stripping, it is found that the existing wood veneer has concealed damage or cleaning solutions were used that impact the finish effort, additional charges shall be applicable to compensate for added finishing efforts.
- 3.6. Elliott Aviation assumes Customer will remove their own personal effects, galley stores, dishes, clothing, tapes, DVDs, CDs, etc. Elliott Aviation will remove and inventory any items that have been left onboard the aircraft. Elliott will not be held responsible for the condition or safety of this loose equipment.
- 3.7. Elliott Aviation assumes that Customer will supply all information and documents for placarding of existing installations.
- 3.8. Damages found after removal/disassembly of interior components will be repaired on a time and material basis and may extend the downtime.
- 3.9. If existing placards are removed due to Elliott Aviation modification or refurbishment, placards shall be reapplied as adhesive labels. If the substrate is not compatible with adhesive labels, silk screening shall be used at an additional charge. Pricing available at the customer's request.
- 3.10. Once Elliott's proposal is accepted our design team will then begin the material and design process utilizing the EnVision process or other means as applicable. The EnVision process will utilize a 2-D floor plan and a photo-realistic 3-D vignette to accurately illustrate the customers color and pattern selections. The EnVision process is finalized with a print version of the final interior color and pattern selections as well as a color board with samples of each material for approval and signature.

3.11. The EnVision Process vignette is intended for the sole purpose of illustrating color and pattern combinations. The vignette may not accurately depict your aircraft's seating configuration, floor plan or accessories location and or style, unless stated otherwise.

#### 4. PAINT

- 4.1. Price includes chemical removal of the existing exterior coating. Additional stripping and/or sanding charges may apply if the existing exterior coating is more than 12 MILS thick or that the paint cannot be removed by standard chemical means.
- 4.2. Required sheet metal, fiberglass, or composite repairs may result in additional charges and downtime.
- 4.3. P-static repairs, if required, will be performed on a time and material basis.
- 4.4. Application of fill primer, if required, will be performed at additional costs.
- 4.5. Any special logos, additional stripes or difference from one color base paint and two stripes will be performed at additional costs unless called out in the proposal.
- 4.6. An environmental regulating charge of 6% of the total labor amount will be applicable to cover costs incurred to comply with local, State, Federal, and environmental regulations not to exceed \$3,200.00.
- 4.7. Aircraft that are RVSM compliant, a copy of the Instructions for Continued Airworthiness (ICA) must be supplied before price given will be considered firm. If the (ICA) is not supplied prior to input, a review of the (ICA) will be accomplished at the time of induction and any additional work required will be quoted to the customer via a change order.
- 4.8. All paper work that is required during a registration number change is the responsibility of the customer.
- 4.9. All paint renderings are a 2 dimensional representation of the proposed paint scheme and may require alteration during the actual laying out of the paint schemes. All efforts will be made to adhere to the original scheme as depicted. The customer will be notified if the layout requires a major alteration. All minor alterations will be made by proxy.
- 4.10. Additional Paint Warranty Information. Elliott Aviation's limited paint warranty excludes the following:
  - 4.10.1. With the choice of metallic, mica, pearl or other exotic coatings which cannot be controlled due to vendors, environmental conditions or products: Elliott Aviation will not be responsible for color matching outside the area that is considered warranty by workmanship or product issue.
  - 4.10.2. Discoloring, lifting or failure to the coatings in anyway caused by fluids like hydraulic, TKS, fuel, ETC.
  - 4.10.3. Aerodynamic filler cracking due to high flex such as around and in the main entry doorjamb, emergency hatches, baggage/avionics doors and other areas of pressurization and flex.
  - 4.10.4. Areas which paint adhesion has been degraded and failed due aircraft pressurization leaks such as working rivets causing paint to lift and or seams to crack and lift.
  - 4.10.5. Damage resulting from severe weather conditions such as acid rain, severe heat or static popping.
  - 4.10.6. Paint work (performed by others to modify or repair our paint work) which is not completed in accordance with Elliott Aviation's instructions, Elliott Aviation team member or an Elliott Aviation approved vendor.
  - 4.10.7. Carbon fiber, composite and areas where dissimilar substrates meet that can be subject to cracking such as hairlines in substrate, stress, failure of composite, improper substrate installation, age, heat scoring or other factors out of Elliott Aviation's control.

#### 5. ACCESSORY SHOP

- 5.1. Any work required that is not part of a proposal or changes to the proposed work scope will be performed at the current labor rate and may extend the Aircraft downtime. Downtime stated in proposals is based upon a timely availability and receipt of required materials. Unless specifically stated, existing hardware will be used. All Inspections, Maintenance, Service Bulletins and installations are priced based upon information in current circulation on the date of the proposal. Any subsequent releases may result in price changes due to changes in information contained in the applicable approved data.
- 5.2. All freight charges are the responsibility of the Customer and will be charged in addition to any proposed pricing. Unless specifically stated, all equipment and furnishings removed shall become the property of Elliott Aviation and may be discarded after Aircraft release and departure. Cancellation of any agreed work scope is subject to restocking/penalty charges; this includes charges for work performed.
- 5.3. Proposal pricing is based on the assumption that the Component is in airworthy condition and that there is adequate space. In the event this assumption is wrong, an estimate of the additional cost and time required to correct the deficiency will be submitted to the Customer for approval.

## APPENDIX C: LIMITED WARRANTY

This Limited Warranty is provided by Elliott Aviation, Inc. ("Elliott Aviation") pursuant to Elliott Aviation's Aircraft Work Authorization and associated Specifications for Refurbishments (the "Specifications").

### 1) Limited Warranty.

- a) Elliott Aviation warrants its workmanship and services (the "Work") to conform to the specifications, plans and drawings set forth in the Specifications, and to be free from defects in workmanship according to current industry standards, subject to the terms and conditions set forth below.

### 2) Scope of Warranty.

- a) This warranty and the liability of Elliott Aviation for breach of warranty shall be limited to correcting or repairing such portions of the Work that is not in accordance with the Aircraft Work Authorization or Specifications. Elliott Aviation warrants only that the Work shall be free from defects under normal aircraft use. Elliott Aviation's obligations under this Warranty, and Owner's exclusive remedy, shall be limited solely to the repair, or replacement, at Seller's election, of any workmanship which is determined to be defective under normal use and service within the earliest to occur of three hundred (300) hours of aircraft operation or one (1) year after completion of the Work (the "Warranty Period").

### 3) Conditions of Warranty.

- a) Elliott Aviation's obligation to provide Warranty services hereunder shall be contingent upon satisfaction of the following conditions. Failure of Owner to comply with any of the conditions specified in this paragraph 3 shall relieve Elliott Aviation of any obligations hereunder:
  - i) Claim Period. Owner shall give Elliott Aviation written notice of any claim of a defective or nonconforming condition ("Warranty Claim") within the Warranty Period;
  - ii) Notice of a Claim. To assert a Warranty Claim, Owner shall notify Elliott Aviation in writing within thirty (30) days after Owner has actual or constructive notice of such alleged Warranty Claim. All Warranty Claims shall be sent to the Elliott Aviation Facility where the work was performed.
    - (1) Elliott Aviation, Quad City Airport, Moline, Illinois 61265, Attention: Chief Inspector.
    - (2) Elliott Aviation, P.O. Box 35250, Des Moines, Iowa 50321, Attention: Chief Inspector.
    - (3) Elliott Aviation, 13801 Pioneer Trail, Eden Prairie, Minnesota 55347, Attention: Chief Inspector.
    - (4) The Maintenance Group, 1961 Sixth Ave, Atlanta, Georgia 30341, Attention: Chief Inspector.
    - (5) All claims shall include the following information:
      - (a) Serial number of the Aircraft;
      - (b) Date services were performed; and
      - (c) Detailed explanation of the nature of the claim, and the date of detection.
  - iii) Care and Maintenance. Customer shall comply in all material respects with the conditions of the respective applicable manufacturer's warranty, including without limitation recommended care, cleaning and maintenance requirements.
  - iv) Inspection. Elliott Aviation shall have a full and complete opportunity to inspect any alleged defect or nonconforming work, and review any records concerning the alleged defect prior to performance of any repairs. Owner agrees to deliver its Aircraft to Elliott Aviation's closest service facility at Owner's costs, in order to facilitate such inspection.
  - v) Repairs. If Elliott Aviation determines that the defective or nonconforming work is shown to be due to a breach of the above warranty, and not due to any extraneous cause, including but not limited to misuse by customer or any third party, failure to perform recommended maintenance, or effects of the environment (wind, water, corrosion, etc), then Elliott Aviation shall repair the defective work.

### 4) Exclusive Remedy.

- a) THE LIMITED WARRANTY PROVIDED HEREIN IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE QUALITY AND/OR THE PERFORMANCE OF THE SERVICES. EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY, ELLIOTT AVIATION MAKES NO WARRANTIES OF ANY KIND RELATING TO THE SERVICES PERFORMED, AND ELLIOTT AVIATION DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.
  - (1) ELLIOTT AVIATION'S ENTIRE LIABILITY RELATING IN ANY MANNER TO THIS LIMITED WARRANTY SHALL BE LIMITED EXCLUSIVELY TO REPAIRING THE SERVICES DETERMINED TO BE DEFECTIVE AND THE REIMBURSEMENT OF REASONABLE LABOR COSTS TO THE EXTENT PROVIDED IN THIS LIMITED WARRANTY.
  - (2) ELLIOTT AVIATION SHALL IN NO EVENT BE LIABLE TO OWNER, OR TO ANY PERSON CLAIMING THROUGH OWNER, WHETHER IN CONTRACT, TORT, OR STRICT PRODUCT LIABILITY, FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF USE, DEMURRAGE, OR PENALTIES, ARISING FROM ANY CAUSE WHATSOEVER.

### 5) Third Party Warranty.

- a) No warranty is given with respect to parts and/or materials not manufactured by Elliott Aviation. However Elliott Aviation will pass on

any warranty from its vendors in favor of Elliott Aviation and/or its customers.

**6) Assignment.**

- a) This Limited Warranty is given only to the Owner of the Aircraft when services are performed, and may not be transferred or assigned by Owner to any subsequent owner.

**7) Applicable Law; Jurisdiction.**

- a) This Limited Warranty shall be governed by and construed in accordance with the internal laws of the State of Iowa without regard to the principles of conflicts of law. The exclusive forum for any action to enforce the terms of this warranty shall be the Iowa District Court in and for Scott County, Iowa.

**8) Limitation of Action.**

- a) No action at law or in equity shall be maintained by Owner against Elliott Aviation for Elliott Aviation's alleged breach of this Warranty and/or violation of any federal or state law now in effect or hereafter enacted with respect to any obligation or duty incurred hereunder by Elliott Aviation, unless (i) Owner notifies Elliott Aviation in writing at the address specified in this Agreement within thirty (30) days from the date of such alleged breach or violation, and provided Elliott Aviation does not remedy or correct the breach or violation within sixty (60) days from the receipt of the notice; and (ii) such action at law or equity is commenced by Owner within one (1) year from the completion of the Work, unless extended by ninety (90) days to allow for notice to Elliott Aviation and its response as provided by this paragraph.

**9) Entire Agreement.**

- a) This Limited Warranty constitutes the entire agreement between Elliott Aviation and Owner concerning the subject matter hereof, and supersedes all prior or contemporaneous agreements or warranties between the parties concerning the subject matter hereof.

## APPENDIX D: PAINT WARRANTY

### 1. LIMITED WARRANTY

- a. In the event that the Coating System applied to the Aircraft is determined to be Defective during the Warranty Period; EA shall repair the defect pursuant to Paragraph 2 of this Limited Warranty.

### 2. SCOPE OF WARRANTY

- a. The Coating System Used On Aircraft(s). This Limited Warranty is issued by EA to Owner only for Coating System purchased by Owner directly from EA and applied during the Term to the Aircraft at EA's Completion Facility. This Limited Warranty shall not apply to the Coating System applied to any surface area on the Aircraft which is subject to extensive wind erosion and/or water erosion including, but not limited to, the nose of the Aircraft. Additionally the Limited Warranty shall not apply to any installed vinyl decals.
- b. Repair of Defective Coating System during Warranty Period. If the Coating System is determined to be Defective during the Warranty Period, of this Limited Warranty, EA shall supply the replacement coatings and labor required to repair such Defective Coating System; provided, however, EA shall not be responsible for any defects occurring in sections of the Aircraft which do not meet the requirements of Paragraph 1 as it shall be considered to be normal maintenance and shall be the sole responsibility of Owner to correct.
  - i. Additional note: With the many choices of metallic, mica, pearl or other exotic coatings which cannot be controlled due to vendors, environmental conditions or products: Elliott Aviation will not be responsible for color matching outside the area that is considered workmanship warranty.

### 3. CONDITIONS OF WARRANTY

- a. EA's obligation to furnish replacement materials and to repair such Defective Coating System pursuant to this Limited Warranty is contingent upon the following conditions being satisfied. The failure of Owner to comply with any of the conditions specified in this Paragraph 3 shall relieve EA of any liability under this Limited Warranty.
  - i. The Coating System must be purchased by Owner directly from EA and must be applied to the Aircraft at EA's completion facility in Moline, IL.
  - ii. Owner shall be responsible for performing systematic maintenance of the Coating System which shall include cleaning the Coating System with approved cleaning products and removing dirt, pollutants and other residue.
  - iii. It shall be Owner's responsibility to perform repairs on any Coating System if a defect is not the responsibility of EA, pursuant to this Limited Warranty. Such repairs shall be made by Owner, at Owner's expense. All repairs shall be made by Owner utilizing only those products satisfactory to EA and in accordance with repair specifications supplied by EA.
  - iv. Warranty does not cover application of dissimilar brands of topcoat over primer coat.
  - v. EA shall not be responsible for any defects occurring in any other sections of the Aircraft which do not meet the requirements of Paragraph 1 of this Limited Warranty.
  - vi. Owner shall submit all claims pursuant to the Limited Warranty in accordance with Paragraph 4 of this Limited Warranty.

### 4. CLAIMS

- a. To assert any claim under this Limited Warranty, Owner shall notify EA in writing within thirty (30) days after Owner has actual or constructive notice that the Coating System which was applied to the Aircraft is allegedly Defective, Such claim shall be sent to: Elliott Aviation, Quad City Airport, Moline, IL, 61265, ATTENTION: Manager of Quality Control. All claims shall include:
  - i. Proof of purchase of the Coating System
  - ii. The serial number of the Aircraft
  - iii. Date services were performed
  - iv. Details explaining the nature of the claim and the date of detection.

Owner waives any claims not made in this manner during the Warranty Period. EA shall have a full and complete opportunity to inspect any alleged defect and review any records concerning the alleged defect prior to any repairs being made.

### 5. WARRANTY PERIOD APPLICABLE TO A REPAIR

- a. The Warranty Period shall not be extended by the repair of any Defective Coating System pursuant to this Limited Warranty. Any replacement materials furnished by EA pursuant to this Limited Warranty shall be covered by the terms of this Limited Warranty for the remaining term of the original Warranty Period provided that such replacement materials are applied in accordance with EA's specifications and instructions.

### 6. EXCLUSIVE REMEDY

- a. A. THE LIMITED WARRANTY PROVIDED HEREIN IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE QUALITY AND/OR THE PERFORMANCE OF THE COATING SYSTEM. EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY, EA MAKES NO WARRANTIES OF ANY KIND RELATING TO THE COATING SYSTEM AND /OR THE

PERFORMANCE THEREOF AND EA DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY CONTAINED ON THE COATING SYSTEM CONTAINER LABEL AND/OR OTHER LITERATURE OF EA.

- b. EA'S ENTIRE LIABILITY RELATING IN ANY MANNER TO THIS LIMITED WARRANTY SHALL BE LIMITED EXCLUSIVELY TO PROVIDING REPLACEMENT COATINGS AND REPAIR OF THE COATING SYSTEM FOUND TO BE DEFECTIVE. EA SHALL IN NO EVENT BE LAIBLE TO OWNER, OR TO ANY PERSON CLAIMING THROUGH OWNER, WHETHER IN CONTRACT, TORT, OR STRICT PRODUCT LIABILITY, FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF USE, DEMURRAGE, OR PENALTIES, ARISING FROM ANY CAUSE WHATSOEVER.

#### **7. ASSIGNMENT**

- a. This limited Warranty may not be transferred or assigned by Owner without previous written notification and concurrence from EA.

#### **8. DEFINITIONS**

- a. The following terms when used in the Limited Warranty shall have the meanings set forth below.
- b. A Defective Coating shall mean a loss of gloss but does not include any other defect or damage including, but not limited to, any defect or damage resulting from:
  - i. ordinary wear and tear, abnormal usage, misuse, failure to properly maintain the coated substrate in accordance with reasonable and customary maintenance procedures;
  - ii. fading of the color of the Coating System which occurs on a non-uniform basis as a result of the Coating System being exposed to the sun and other elements on an unequal basis;
  - iii. structural defects and/or structural settling or movement;
  - iv. improper repair;
  - v. loose or working rivets;
  - vi. causes unrelated to the performance of the Coating System under normal operating conditions;
  - vii. abrasion, damage caused by abrasive cleaning, mechanical damage, abuse, or damage resulting from use of chemicals or cleaning agents or exposure to harmful solids, liquids or gases;
  - viii. improper substrate installation;
  - ix. pressurization leaks;
  - x. acid rain;
  - xi. debris or other objects coming into direct contact with the Coating System including, but not limited to, rocks and stones; and
  - xii. causes beyond the reasonable control of EA including, not limited to, damage or defects caused in whole or in part by reason of fire, explosion, flood, war, radiation, act of God, unusual weather conditions, matters normally covered by force majeure, misuse, alteration, abuse, vandalism, negligence, or any other similar or dissimilar circumstance or event beyond the reasonable control of EA.
  - xiii. "Warranty Period" shall mean the two (2) year period commencing on the date the Coating System is purchased from EA.

#### **9. APPLICABLE LAW – JURISDICTION**

- a. This Limited Warranty shall be governed by and construed in accordance with the internal laws of the State of Iowa without regard to the principles of conflicts of laws.

#### **10. ENTIRE AGREEMENT**

- a. This Limited Warranty constitutes the entire agreement between EA and Owner concerning the subject matter hereof and supersedes all prior or contemporaneous agreements or warranties between the parties concerning the subject matter hereof. This Limited Warranty shall not be binding upon EA unless it is signed by an Elliott Aviation Officer.