



STANDARD WARRANTY POLICY

1.1 Limited Warranty

Subject to the exceptions set forth in Section 1.2, Seller warrants that, at the time of delivery, each Aircraft (including all systems, accessories, equipment and parts installed therein) shall conform to the current specifications, as they may be changed in accordance with this Purchase Agreement, and is free from material defects in material and workmanship by Seller.

1.2 Exceptions

The warranties set forth in Sections 1.1 shall not apply to equipment furnished by Purchaser or by any third party, nor to engines, nor to any system, accessory, equipment or part purchased by Seller, except that any defect in the Seller's workmanship incorporated in the installation of such items in the Aircraft, including any failure by Seller to conform to the installation instructions of the manufacturers of such items that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purposes of Section 1.1. Seller shall request suppliers of purchased parts and components to agree to pass through all warranties to Purchaser.

1.3 Survival of Warranties

The warranties set forth in Sections 1.1 shall survive delivery only upon the conditions and subject to the limitations set forth in Sections 1.4 through 1.11.

1.4 Warranty and Notice Periods

Purchaser's remedy and Seller's obligation and liability under this Warranty, with respect to each defect, are conditioned upon (i) the defect having become apparent to Purchaser within the applicable warranty period and (ii) Seller having received written notice of the defect from Purchaser within three (3) months after the defect becomes apparent to Purchaser. The warranty periods are:

- (a) as to a defect in conformance to the applicable Purchase Agreement at the time of delivery of the Aircraft, twelve (12) months after delivery of an Aircraft in which the defective item was initially installed; and
- (b) as to a defect in material or workmanship by Seller, thirty-six (36) months after delivery of the Aircraft in which the defective item was initially installed.

1.5 Return and Proof

Purchaser's remedy and Seller's obligation and liability under this Warranty, with respect to each defect, are also conditioned upon:

- (a) the return by Purchaser as soon as practicable to Seller at Melbourne, Florida, or such other place as may be mutually agreeable, of the Aircraft, system, accessory, equipment or part claimed to be defective, except when (i) Seller elects to perform necessary repair or correction of defective systems, accessories, equipment or parts in accordance with the provisions of this Warranty, or (ii) Seller elects to scrap non-repairable defective items at Seller's facility in accordance with Section 1.8; and
- (b) the submission by Purchaser to Seller of reasonable proof that the claimed defect is due to a matter embraced within the warranty set forth in Section 1.1 and that such defect did not result from any act or omission of Purchaser, including, but not limited to, any failure to operate and maintain the Aircraft, system, accessory, equipment or part involved, in accordance with applicable governmental regulations and Seller's applicable written instructions.

1.6 Remedies

Purchaser's remedy and Seller's obligation and liability under this Warranty, with respect to each defect, are limited to the following:

- (a) As to a defect in conformance to the current specifications or to the specifications of a Purchase Agreement:
 - (i) to the correction of such defect in the system, accessory, equipment or part in which the defect appears, and
 - (ii) as to any item corrected by Seller pursuant to clause (i), to the correction of any further defect in conformance to the current specifications in such item, provided such further defect becomes apparent to Purchaser within any unexpired remainder of the initial warranty period specified in Section 1.4 (a), or within twelve (12) months after receipt by Purchaser of the correction for such item, whichever period shall last expire.
- (b) As to a defect in material or workmanship:
 - (i) to the repair of such defect in the system, accessory, equipment or part in which the defect appears, or, at Seller's option, to the replacement of such system, accessory, equipment or part with a similar item free from defect, and
 - (ii) as to any item repaired by Seller or furnished as a replacement by Seller pursuant to clause (i), to the repair or replacement of such item for any further defect in material or workmanship, provided such further defect becomes apparent to Purchaser within any unexpired remainder of the initial applicable warranty period specified in Section 1.4(b).

1.7 Returned Items

The following provisions shall apply with respect to each Aircraft, system, accessory, equipment or part returned to Seller at Melbourne, Florida, or such other place as may be mutually agreeable, pursuant to Section 1.5:

- (a) All repairs, replacements and corrections described in Sections 1.6(a) and (b) shall be performed at Seller's expense and with reasonable care and dispatch so that the Aircraft involved will not be kept out of service longer than necessary.
- (b) Title to and risk of loss of the Aircraft, system, accessory, equipment or part shall at all times remain with Purchaser, except title to a returned system, accessory, equipment or part shall pass to Seller concurrently with shipment by Seller to Purchaser of any item furnished by Seller to Purchaser as a replacement therefore. Seller shall have only such responsibility for such Aircraft, system, accessory, equipment or part as is chargeable by law to a bailee for hire, but shall not be chargeable for loss of use.

1.8 Nonrepairable Items

Purchaser may scrap any defective nonrepairable system, accessory, equipment or part, provided that an authorized Seller representative has confirmed such item is nonrepairable. Purchaser's claim for any system, accessory, equipment or part to replace such scrapped item shall contain the stamp and signature of Seller's Customer Support Representative.

1.9 Normal Wear and Tear

Normal wear and tear and the need for regular maintenance and overhaul shall not constitute a defect under this warranty, and this warranty shall not apply to the extent that the Aircraft was operated or maintained in a manner inconsistent with the Operating Manual or the Maintenance Manual for the Aircraft.

1.10 DISCLAIMERS

The Parties agree that:

- (a) THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER AND REMEDIES OF PURCHASER SET FORTH IN THIS WARRANTY ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND PURCHASER HEREBY WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER AND ANY ASSIGNEE OF SELLER AND RIGHTS, CLAIMS AND REMEDIES OF PURCHASER, AGAINST SELLER OR ANY ASSIGNEE OF SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY AIRCRAFT OR OTHER THING DELIVERED UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, AND SELLER HEREBY DISCLAIMS, (A) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, AND (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF SELLER OR ANY ASSIGNEE OF SELLER, ACTUAL OR IMPUTED.
- (b) THE REMEDIES OF REPAIR OR REPLACEMENT ARE THE ONLY REMEDIES OF PURCHASER.
- (c) SELLER SHALL NOT BE LIABLE FOR ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO ANY AIRCRAFT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- (d) THE ENGINE AND ENGINE ACCESSORIES (INCLUDING ALL SYSTEMS, ACCESSORIES, EQUIPMENT AND PARTS INSTALLED THEREIN) ARE SEPARATELY WARRANTED BY THEIR MANUFACTURERS AND ARE EXPRESSLY EXCLUDED FROM THE LIMITED WARRANTIES OF SELLER.

1.11 Negotiated Agreement

Purchaser and Seller agree that this Warranty has been the subject of discussion and negotiation and is fully understood by the Parties, and that the price of the Aircraft and the other mutual agreements of the Parties set forth in this Agreement were arrived at in consideration of the provisions of this Warranty, specifically including the waiver, release and renunciation by Purchaser set forth in Section 1.10.

1.12 No Increase in Seller Liability

No action taken by Purchaser or Seller relating to the resale or financing of any Aircraft or the assignment of Purchaser's warranty rights to its customer will subject Seller to any liability beyond that set forth in this Warranty or modify or expand in any way Seller's obligations herein. Any pass through to customers of Purchaser of the Seller warranty in a form that identifies Seller shall be in a warranty document in form and substance acceptable to Seller and that is consistent with the terms, conditions and disclaimers of this Warranty.

Purchase Agreement No: _____

Purchaser: _____