

TURBINE ENGINE SOLUTIONS, INC.  
STANDARD TERMS AND CONDITIONS  
LIMITED WARRANTY  
WO 1234 ESN 700833-15 Commercial Turbine Services

1. TURBINE ENGINE SOLUTIONS, INC. (TES) warrants that its workmanship herein will be free from defects. As used herein, defects in workmanship shall mean a failure on the part of TES to conform to accepted industry practices as prescribed by applicable Federal Aviation Administration regulations and applicable manufacturer's specifications.
2. TES's liability under the foregoing warranty contained in Paragraph 1 is expressly limited to the correction of any such defect and shall expire after the engine or components serviced or overhauled have been operated 1800 hours/cycles, whichever is greater, or at the expiration of eighteen (18) months after redelivery to Customer, whichever shall first occur. Such warranty shall be effective only if the defective engine or component serviced or overhauled is returned to TES's Miami facility at customer's expense, together with particulars, in writing, of the nature of the defect. Any expenses incurred in correcting the defect, which involves removal of the engine, removal, replacement, or installation of such defective engine/part, transportation charges, and any and all sales taxes shall be borne by customer. Duties, imports, or excise thereon shall be borne by customer. This warranty shall not be effective unless (1) the engine and components have been maintained subsequent to the completion of TES's performance hereunder in accordance with the current approved standards of the Federal Aviation Administration and as set forth in current applicable maintenance manuals; (2) the engine and components have been used under normal operating conditions and have not been subject to misuse; and (3) notice of the claimed defect is received by TES within fifteen (15) days after the expiration of the warranty. TES shall have the sole right to determine whether a defective item shall be repaired or replaced. Materials purchased from outside sources shall carry the Warranty as furnished by the supplier in lieu of an TES Warranty.
3. The warranties or representations contained herein are expressly in lieu of and customer waives any and all other warranties, agreements, guarantees or representations, expressed or implied, arising by application of law or otherwise, including but not limited to MERCHANTABILITY, fitness for a particular purpose, value, condition, design or operation of any kind or nature and all conditions, warranties, or representations expressed or implied, statutory, including strict liability in tort or otherwise, in respect thereof, are expressly excluded, with respect to TES's performance hereunder and no agreement extending this warranty will be binding on TES unless in writing and signed by a duly authorized officer or representative, unless otherwise provided in TES's capability list.
4. TES will use its best efforts to comply with any established work schedule for the work hereunder but shall in no event be liable or responsible for delays in the completion of the work and for late delivery to customer due to force majeure, strikes or other labor disturbance, war, civil disturbance, fire, lack of timely receipt of required parts and material or other causes beyond TES's control or not occasioned by its fault or negligence.
5. In the event that TES shall fail to perform work described herein or any other work or services relating to the flight equipment described herein or shall be delayed in any performance hereunder, Customer shall be entitled, during the period of such failure to perform, to utilize other facilities for the performance thereof, but in no event shall TES be liable or responsible for consequential or incidental damage or economic loss of any nature (including, without limitation such as shall result from cancellation of flights and loss of revenue) arising out of or resulting from the failure to perform or delay in performance, whether such delay is excused under Paragraph 4 or not.
6. If no labor, material or third party vendor rates are specified on the face thereof, TES's standard charges for the classifications or work performed or materials supplied shall be applicable.
7. Customer will be charged interest at the rate of eighteen percent (18%) per annum on all outstanding balances. All invoices shall be paid upon presentation unless otherwise provided without deduction, offset or defense. Subject to the warranty provision of Paragraph 1, satisfactory performance of the services provided for herein shall be conclusively presumed upon redelivery.
8. Any fixed charge specified herein does not include (a) packing charges, (b) transportation charges, (c) such services as may be necessitated by hidden or latent defects or conditions uncovered in the course of the work of which were not readily ascertainable from the engine log or other written material submitted to TES at the time a fixed charge for services was established or (d) such services as are required to repair any customer furnished parts, material or equipment, found not otherwise suitable for its intended use, and all such work or services shall be charged to Customer on a "time and material" basis in addition to the applicable fixed charge, if any.
9. Customer shall reimburse TES for all reasonable costs and expenses incurred in collecting overdue accounts including reasonable attorney fees. Should suit for collection of amounts due hereunder become necessary, the prevailing party shall be entitled to its costs of suit including reasonable attorney fees.
10. (a) TES shall not be liable for loss, damage or destruction of Customer's engine or other property in the care and possession of TES's pursuant hereto unless caused by the sole negligence of TES, its officers, agents or employees (b) TES shall have no responsibility for and Customer will bear the cost of and indemnify and hold TES harmless from and against all claims, costs, expenses or damages asserted against or incurred by TES resulting from the use of the engine or component subsequent to the maintenance services performed by TES under this agreement unless such claims, costs, expenses or damages result from the sole negligence of TES, its officers, agents or employees.
11. The liability in Paragraph 10 (a) above shall be limited in the event of loss or destruction of property to the value thereof at the time of its loss or destruction and, in the event of repairable damage to the cost of repair of such damage by TES if it can repair the damage, otherwise by a reputable repair facility designated by TES.
12. TES shall have a lien upon Customer's engine and/or components for the cost of all services and materials by TES hereunder, including, without limitation, reasonable compensation for storage following notification to customer that the services to be furnished hereunder have been completed.
13. Customers' terms and conditions contained on Purchase Orders or Work Orders received by TES shall be deemed to be modified or amended to conform to these terms as a condition of TES's acceptance of their work.