

Clear Star Aviation
15841 Addison Rd
Addison, Texas 75001

CRS 5CSR009B
Tel: 972.267.2376

representative; or (3) any accident, misused, neglect, or negligence after delivery by Clear Star. The warranty shall not apply to any workmanship of Clear Star to the extent that the defect or nonconformity is attributable to any part not supplied by or approved by Clear Star. Clear Star's obligations under these warranties are conditioned on Customer's obligation to maintain records which will accurately reflect maintenance performed on Customer's equipment and establish the nature of any unsatisfactory condition of Customer's equipment. Clear Star, at its request, shall be given access to such records for sustaining warranty claims.

6b. WARRANTY FILING ON BEHALF OF CUSTOMER. Clear Star will file for warranty or product support program reimbursement on behalf of Customer only as allowed and accepted by the third party responsible for the original warranty or support program (hereinafter, the "Provider"). Clear Star accepts no responsibility for nor can it give any advance approval of any claim filed on behalf of Customer. Clear Star will include all work including what it believes to be warranty work done in conjunction with this Order on the invoice and will expect payment in accordance with the provisions of Article 2 above. Clear Star will credit or reimburse Customer for any warranty allowed by the Provider at such time Clear Star receives said credit or payment from or through the Provider. Notwithstanding the foregoing sentence, it is expressly agreed and understood by the Customer that the filing of any warranty claims by Clear Star in conjunction with this Order shall in no way be construed as to abate, diminish or otherwise relieve the Customer from any obligations accrued in conjunction with Clear Star's performance of this Order, including, but not limited to, full payment for services.

6c. LIMITED LABOR WARRANTY. Clear Star will rectify, at no cost to Customer, any defective workmanship consistent with the services provided pursuant to this Order which occurs within ninety (90) days of release of Aircraft to Customer; provided, however, Clear Star shall incur no obligation or liability to rectify any performed labor should the defect(s) be determined to have arisen from Customer's misuse, abuse or otherwise negligent operation or storage of the Aircraft subsequent to its return to Customer.

THE FOREGOING WARRANTY PROVISIONS SET FORTH IN THIS ARTICLE 6 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE. EXCEPT FOR THE OBLIGATIONS EXPRESSLY UNDERTAKEN BY CLEAR STAR OR ITS SUBCONTRACTOR(S) IN THIS ARTICLE, CUSTOMER HEREBY WAIVES AND RELEASES ALL RIGHTS, CLAIMS AND REMEDIES WITH RESPECT TO ANY AND ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY (INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE), AND WAIVES AND RELEASES CLEAR STAR AND ITS SUBCONTRACTOR(S) FROM ALL CLAIMS WITH RESPECT TO INCIDENTAL OR CONSEQUENTIAL DAMAGES, PUNITIVE OR EXEMPLARY DAMAGES, OR DAMAGES FOR LOSS OF USE OR LOST RETURN, EVEN IF CUSTOMER HAD BEEN INFORMED AND WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES OCCURRING.

7. INDEMNIFICATION. Customer shall indemnify, defend and hold harmless Clear Star, its officers, directors, employees, agents and subcontractors from and against any and all liabilities, losses, damages, claims, suits recoveries, awards, judgments, fines, penalties or other costs and expenses of any nature or kind (including, without limitation, reasonable attorneys' fees) (collectively, "Claims") arising from Customer's breach of this Order, including, without limitation, any intentionally incorrect statements or information provided to Clear Star with respect to the Aircraft or Customer's use and operation of the Aircraft; provided, however, Customer shall incur no liability or responsibility to indemnify or hold harmless Clear Star for Claims which arise from Clear Star's sole negligence or willful misconduct in conjunction with its performance of work pursuant to this Order. The foregoing indemnification shall survive the completion or termination of this Order.

8. CUSTOMER FURNISHED PARTS AND COMPONENTS. Subject to acceptability, in the event Customer furnishes Clear Star or its subcontractor(s) with any aircraft part or component (collectively, "Customer Part" or "Customer Parts") for subsequent use in repairs or services on the Aircraft, it is expressly agreed and understood that neither Clear Star nor its subcontractor(s) shall be liable for any warranties (expressed or implied) which are issued or otherwise assigned to the Customer in conjunction with any and all such independently furnished Customer Parts, excepting Clear Star's warranty for workmanship as set forth herein. Additionally, no Customer Parts shall be accepted for use by Clear Star or its subcontractor(s) unless and until the traceability and authenticity of each such Customer Part is verified and substantiated by documentation deemed acceptable to Clear Star or its subcontractor(s) and is in full compliance with prevailing and applicable FAA regulations. In the event traceability and/or authenticity of a Customer Part cannot be determined to the satisfaction of Clear Star or its subcontractor(s) as required by prevailing and applicable FAA regulations, the non-conforming Customer Part(s) shall be returned to the Customer unused. All Customer Parts deemed acceptable for use by Clear Star or its subcontractor(s) shall be subject to a supplemental charge in the amount of a \$25.00 minimum or ten percent (10%) of the manufacturer suggested retail price (MSRP), whichever is greater, in compensation for handling, quality control inspection, certification and documentation verification required to be performed by Clear Star hereunder.

9. EXCHANGES AND RETURNS. Subject to Clear Star's prior authorization and the assignment of a return authorization number by Clear Star, parts sold hereunder may be returned within thirty (30) days after shipment for credit or replacement; provided, however, that, except for worn exchange cores, the part to be returned must be unused and in the same condition as when originally shipped. Returns of electrical goods are subject to functional test at Customer's expense. All authorized returns must be accompanied by all original documentation and all returns shall be subject to handling fees, and restocking, recertification, and vendor return charges. All returns, including worn exchange cores, shall be made freight prepaid to Clear Star's facility at point of origin, and the return authorization number must appear on the shipping documents, packing list and shipping container.

10. SPECIAL CONDITIONS FOR EXCHANGE PARTS SALES. Exchange cores must be capable of repair or overhaul. Exchange transactions shall be subject to additional charges for repair costs due to (a) excessive wear, misuse, and missing or altered parts, and (b) increases in part modification or amendment levels of returned cores required to match amendment level of unit shipped to Customer.

11. EXPORTATION. Customer shall be responsible for arranging and paying for transportation, insurance and all export clearances and, as required, U.S. Department of State licenses.

12. CANCELLATION OF ORDER. Upon notice to Clear Star and subject to Clear Star's authorization, this Order may be cancelled prior to completion of work. By giving notice of its intent to cancel, Customer agrees to pay any and all vendor cancellation or penalty charges for return of unused parts, as well as, any and all other charges incurred by Clear Star up to the date of Order termination.

13. LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ORDER AND UNDER NO CIRCUMSTANCES SHALL CLEAR STAR OR ITS SUBCONTRACTORS BE LIABLE TO CUSTOMER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE, LOSS OF USE, DIMINUTION OF VALUE OR ANTICIPATED PROFITS EVEN IF CUSTOMER HAD BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

14. TAXES. The amount of all Federal, State, or local taxes applicable to the sale, use, or transportation of any required parts and work performance hereunder and all duties, imposts, tariffs, or other similar levels, shall be added to the prices and paid by the Customer, except where the Customer shall furnish an appropriate certificate of exemption therefrom. Customer shall indemnify and hold Clear Star harmless from the payment or imposition of any tax imposed on any parts sold or used hereunder, or for any work performed hereunder under the provisions of any State Sales or Use Tax Act plus penalties, interest and/or attorneys' fees connected with the imposition of any such sales or use tax in connection with the parts sold or used or Clear Star's work performance hereunder.

15. SEVERABILITY. Any provision of this Order which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or non-enforceability without invalidating the remaining provisions hereof, and any such prohibition or non-enforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Party hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

16. GOVERNING LAW. This Order shall be construed, interpreted and enforced in accordance with the laws of the State of Texas, exclusive of any conflicts of laws provisions or any other jurisdiction which could cause any other matter to be referred to the law or jurisdiction other than Texas. Any mediation or arbitration by Customer for allegation of breach by Clear Star must be commenced within one (1) year from the date of any alleged breach or act of negligence or willful misconduct.

17. MEDIATION / ARBITRATION. If a dispute arises from or relates to this contract or the breach thereof and if the dispute cannot be settled through direct discussions, the Parties agree to first endeavor to settle the dispute by mediation to be held within thirty (30) days from demand by either Party, to be administered by the American Arbitration Association (AAA) under its Commercial Dispute Resolution Procedures. If the matter cannot be resolved by mediation, any unresolved controversy or claim arising from or relating to this contract or breach thereof shall be settled exclusively by arbitration administered by the AAA in accordance with its Commercial Dispute Resolution Procedures. Judgment on any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. With regard to the arbitration process in the event of a conflict between this section and applicable state law, arbitration shall be governed by Title 9 of the US Code (United States Arbitration Act) and the Commercial Dispute Resolution Procedures of the AAA. Either Party may, without inconsistency with this Order, seek from a court any interim or provisional relief that is necessary to protect the rights or property of that Party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy). Mediation and arbitration shall be held in Dallas, Texas, or at any other place selected by mutual agreement of the Parties. A mediator shall be selected by mutual agreement of the Parties. If the Parties cannot agree, then a mediator shall be selected by the AAA. An arbitration shall consist of a panel of three (3) arbitrators, unless the Parties mutually agree to a single arbitrator. AAA shall provide a list of neutral arbitrators, from which the Parties shall select three (3), by alternately striking names of unacceptable names. After fourteen (14) names have been stricken, AAA shall provide a final list of seven (7), from which three (3) names shall be chosen. The arbitration proceedings shall be conducted before a panel of three (3) neutral arbitrators (unless the Parties agree to use only one arbitrator), all of whom shall be members of the bar of the State where the specific Clear Star base or location is involved, who have actively engaged in the practice of law for at least ten (10) years, and with expertise in Aviation Law and/or Commercial Contracts. The arbitrator(s) shall have the authority to award any remedy or relief that a court in the State of Texas could order or grant, including, without limitation, specific performance, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process and costs. Neither a Party nor an arbitrator may disclose the existence, content or results of any mediation or arbitration hereunder without the prior written consent of both Parties. The Parties shall allow and participate in limited discovery for a period of ninety (90) days after the filing of an answer or another responsive pleading to the demand for arbitration. Limited discovery shall mean no more than three (3) depositions (including one (1) expert), and no more than twenty-five (25) interrogatories and requests for admissions. The arbitrators can expand discovery only for good cause shown. The final arbitration hearing must be held within one hundred twenty (120) days of the initial demand for arbitration unless continued by the arbitrators, and only for good cause shown. **The Parties stipulate that trial by jury is waived.** The arbitration award shall be in writing, and upon the request of a Party, include findings of fact and conclusions of law. The arbitrator(s) shall award to the substantially prevailing party all of the Party's costs and fees. "Costs and fees" mean all reasonable preaward expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees.

18. WAIVER. Failure by Clear Star to assert all or any of its rights upon any breach of this Order shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or service. No written waiver of any such right shall extend to or affect any other right Clear Star may possess, nor shall such written waiver extend to any subsequent similar or dissimilar breach.

19. ENTIRE AGREEMENT. Upon acceptance of these terms and conditions by Customer, the provisions hereof (including the pertinent Customer aircraft documents, drawings and specifications applicable hereto) shall constitute the entire agreement between the Parties and supersede all prior prices, offers, negotiations and agreements relating to the subject matter hereof.

20. INDEPENDENT CONTRACTOR. Customer and Clear Star shall act at all times as independent contractors and nothing contained herein shall be construed to create the relationship of principal and agent, or employer and employee between Customer and Clear Star. It is mutually understood and agreed that personnel assigned to perform maintenance services hereunder are solely the employees, agents or

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subcontractors of Clear Star.

21. **ASSIGNMENT.** This Order shall not be assigned or otherwise transferred (by operation of law or otherwise) by Customer without the prior written consent of Clear Star and, in the event that it shall be assigned, whether by operation of law or otherwise without Clear Star's written consent, such attempted assignment shall be deemed null and void.

22. **REMEDIES CUMULATIVE.** The rights and remedies of Clear Star with respect to any of the terms and conditions of this Order are cumulative and shall be in addition to all other rights and remedies afforded Clear Star under applicable State law, including, without limitation, the imposition of a mechanic's lien to secure payment for parts and/or services. No action taken by Clear Star hereunder shall be construed or interpreted as a sole election of remedies and will in no way diminish, restrict, prejudice or otherwise waive any other Clear Star right or remedy.

I hereby authorize the above work to be done along with necessary materials. Repair Station employees and/or contractors may operate the aircraft for purposes of testing, inspection, and/or delivery. An express mechanic's lien is acknowledged on above aircraft and/or component to secure the amount of repairs thereto. Repair Station will not be held responsible for loss or damage to aircraft or articles left in aircraft in case of fire, theft, vandalism, accident or any other cause.

X _____
I have read and understand the above agreement

X _____
I have received my aircraft and/or component in satisfactory condition